



STATE OF WASHINGTON

HIGHER EDUCATION COORDINATING BOARD

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PRELIMINARY BOARD MEETING AGENDA

Department of Information Services Forum Bldg. Board Room (#201)

605 East 11th Street, Olympia 98504

March 26, 2003

*Approximate
Times*

Tab

7:30 a.m. Continental Breakfast and Overview of Meeting Agenda (Forum Bldg, Room 207)
(No official business will be conducted.)

8:00 a.m. WELCOME AND INTRODUCTIONS

- Bob Craves, HECB Chair

Adoption of February 26, 2003 HECB Meeting Minutes 1

DIRECTOR'S REPORT

- **Status Report: Notification of Intent (NOI)** 2

Washington Student Residency Rules Change (CR 102) 3

- HECB staff briefing
Resolution 03-06

- Public comment

8:30 a.m. 2003 Legislative Session Update 4

- **HECB staff briefing**

9:30 a.m. Master Plan 2004 / Tuition and Financial Aid Policy 5

- HECB staff briefing
- Public comment

10:30 a.m. Break

10:45 a.m. Master Plan 2004 / Branch Campus Discussion Paper 6

- HECB staff briefing
- Board discussion

PUBLIC COMMENT

11:30 a.m. ADJOURNMENT

If you are a person with disability and require an accommodation for attendance, or need this agenda in an alternative format, please call the HECB at (360) 753-7800 as soon as possible to allow us sufficient time to make arrangements. We also can be reached through our Telecommunication Device for the Deaf at (360) 753-7809.

HECB 2003 Meeting Calendar

Date	Location
April 23, Wed.	St. Martin's College, Worthington Center, Lacey
May 28, Wed.	State Investment Board, Olympia
July 30, Wed.	Pierce College, Puyallup
Sept. 24, Wed.	Washington State University, Pullman
Oct. 29, Wed.	Renton Technical College, Renton
Dec. 3, Wed.	Dept. of Information Services Board Room, Olympia

W A S H I N G T O N
H I G H E R
EDUCATION
C O O R D I N A T I N G B O A R D

March 2003

Minutes of February 2003 meeting

HECB Members Present

Mr. Bob Craves, chair
Dr. Gay Selby, vice chair
Ms. Pat Stanford, secretary
Mr. Gene Colin
Mr. Jim Faulstich
Ms. Roberta Greene
Mr. Herb Simon
Dr. Chang Mook Sohn
Ms. Stacey Valentin

Welcome and introductions

HECB chairman Bob Craves opened the meetings at 1:30 p.m. and started the round of Board introductions.

Minutes of January board meeting approved

Action: Jim Faulstich moved to approve the minutes of the Board's January 29 meeting, with a second from Roberta Greene . The January minutes were unanimously approved.
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Director's report

Marc Gaspard outlined the meeting agenda and presented his report to the Board. He introduced HECB communications director Kris Betker, who is temporarily filling the position that Barbara Dunn left. Barbara and her husband have moved to Alabama.

Enrollment for the Guaranteed Education Tuition (GET) program at the current unit price ends March 31, and will re-open September 15, 2003. GET enrollments continue to grow.

Gaspard referenced the follow-up publication to the state-by-state report card from the National Center for Public Policy and Higher Education, and the presentation by its executive director Pat Callan at the House Higher Education Committee. Washington State shows higher grades on preparation and completion; lower grades on affordability and benefits, and no change in grade for participation.

Finally, Gaspard provided a review of the Board's policies on doctoral degree programs, and the exceptions that the Board has granted through the years.

2003 Legislative updates

Gay Selby summarized the message that she and Herb Simon took to legislative hearings on the role and mission of the HECB. First, that it is important for the Legislature and the HECB to work collaboratively in establishing state goals and priorities. And second, the HECB would like the Legislature to give a clear direction for the strategic plan, and to support the plan when it's adopted. She remarked that the first master plan was successful because the Legislature at that time gave very specific direction on the plan's focus and content.

Bruce Botka, HECB director for governmental relations and policy, provided a status report on legislative issues important to the Board.

- High-demand enrollments - Higher Education committees of both Houses have had hearings on this legislation.
- Tuition-setting authority – passage of this bill would give the state a formal tuition policy for the first time since the mid 1990's.
- Higher education surcharges – Sen. Carlson's bill, calling for tuition surcharges for students who accrue excessive credits without graduating, has been approved by the Senate Higher Education Committee. Rep. Don Cox has drafted a similar bill, including tighter criteria for determining student residency status.
- Financial aid fund management bill has gotten a "do pass" recommendation from the House.
- HECB request bill on program changes to the Educational Opportunity Grant has been approved by House and a similar bill is in front of the Senate.
- Both Senate and House legislation granting resident status to undocumented students for purposes of tuition have passed.
- No further action has been taken on legislation to add the Superintendent of Public Instruction to the HECB, but the same issue may be revisited at a later time.
- The Senate Higher Education Committee has endorsed legislation that would allow EWU (and other regional universities) to seek HECB approval to offer an electrical engineering program. A House bill on the same issue includes criteria for HECB consideration of proposals. By removing the word "electrical engineering" from current law, the bill would allow the regional universities, rather than just UW and WSU, to offer this program.

Two bills the Board is following with real interest are:

- HB 2076, requiring a statewide HECB strategic plan and integrated institutional plans. The bill would also establish a joint legislative committee to study HECB administrative options.
- HB 2111 calling for a joint legislative committee to establish higher education goals. A state team, which would include the HECB, would negotiate performance contracts with the four-year institutions and the two-year college system.

Bob Craves said that the HECB must not wait for HB 2076 to pass, but should quickly start developing the plan. He referenced a report published by the Gates Foundation as a good place to start, along with the question, “What are we trying to accomplish in the state?” Herb Simon believes the budgetary aspect of the plan appropriately belongs to the institutions’ governing boards. Roberta Greene said that a roadmap and a collaborative plan would be needed, but that timing would be a challenge.

Gay Selby introduced a letter that she and Herb Simon drafted, addressed to the members of the Senate and House Higher Education Committees, which reiterates the need for clear direction from the Legislature to the HECB regarding goals, and the need for a stronger partnership between the two groups in the development of the strategic plan. Jim Faulstich concurred with the letter’s clear message that the Board needs the Legislature’s support. Gene Colin said the Board needs to be more forceful in carrying its position forward.

Action: **Herb Simon** moved to approve the draft letter and to send it to the members of the Senate and House Higher Education Committees. **Bob Craves** seconded the motion, which was unanimously approved.

Gaspard highlighted the importance of legislative involvement in the establishment of state goals and priorities and expressed his concern that it would be difficult to respond to a joint select committee study while simultaneously preparing a state plan.

2004 Master Plan - tuition and financial aid discussion paper

Becki Collins, HECB director for student services, and Gary Benson, senior associate director for fiscal and policy, presented the report. The discussion paper provides a context for considering the state’s tuition and financial aid policies and the influence these components have on who attends college. Staff reviewed the Board’s tuition and financial aid policies, financial aid available to Washington citizens, and emerging financial aid issues. They discussed measurements for assessing the outcomes of tuition and financial aid policies and the linkage between tuition policy and financial aid.

Selby expressed concern at the erosion of financial aid grant. Chang Mook Sohn inquired about fall-out numbers and students' loan indebtedness.

The tuition and financial aid master plan issue will be brought back to the Board's March meeting for a policy discussion, including comments from institutional representatives.

2004 Master Plan / State enrollment policy and funding practice

HECB Associate Director John Fricke provided a framework for the discussion of this master plan issue. The discussion paper summarizes anticipated enrollment needs and goals in public higher education institutions through 2010. It presents a review of current state enrollment funding practice, and suggested alternatives that the HECB could adopt as part of the 2004 Master Plan.

Current enrollment policy is the outcome of the state's financial situation and consequently makes long-term planning difficult. The alternative approach suggests that policy should set the budget, providing a framework within which budget decisions will be made.

Institutional comments:

- Mary Alice Grobins, State Board for Community and Technical Colleges
The two-year colleges are facing over enrollments. They are the institution of first choice for many students, who are coming to the colleges in bigger numbers to train for work, particularly in high-demand fields. The demand for adult education and English as a second language is unique to the two years. It is important to paint a clear picture of the demand in the state and critical to show why increased funding is needed.
- Jane Sherman, WSU associate vice provost for academic affairs
The central issue is funding. The level of funding determines the number of students. Benchmarking funding levels encouraged.
- Fred Campbell, UW Dean Emeritus
Praised the work that has been done. One service HECB provides that is extremely valuable and can't be done by anyone else is articulating the need for the state. The Legislature sets the goals, but the HECB specifies the needs. The enrollment discussion paper carries the master plan discussion from the need for access to how to fund it. Look at role and mission of schools to determine if capacity is fully utilized.
- Andrew Bodman, WWU provost
The enrollment paper offers promising direction but does not answer to two important questions:
 - Is the current system of financing higher education in the state sustainable?
 - In the face of limited resources, what services should the state be purchasing?

There are key policy goals: (1) serve the needs of resident students; (2) ensure access regardless of means; and (3) need for institutions to meet specified state needs (high-demand programs).

Washington Association of Independent Colleges and Universities (WAICU)

WAICU president Violet Boyer provided an overview of the ten member colleges and universities of WAICU, and the contributions and services that the independent colleges bring to higher education in the state. WAICU has 30,000 students spread among the ten colleges and universities. Collectively, they produce 22 percent of all baccalaureate and higher degrees awarded in the state, with 73 percent of students graduating within four years.

WAICU membership consists of: Gonzaga University, Heritage College, Pacific Lutheran University, St. Martin's College, Seattle Pacific University, Seattle University, University of Puget Sound, Walla Walla College, Whitman College, and Whitworth College.

Washington student residency

As a follow-up to earlier presentations on student residency issues, HECB Associate Director Nina Oman summarized the comments received from institutions on the University of Washington's proposed changes to the WACs. Since the Board's January meeting, a conference call among the institutions has been held and further advice from the Attorney General's office has been sought and received. The institutions have now reached sufficient agreement for the HECB to file a pre-proposal or notice of intent with the state Code Reviser's Office to adopt new sections and amend existing Washington student residency rules.

Draft language on the proposed changes will be brought to the March meeting for Board approval.

Meeting adjourned

The Board meeting adjourned at 4:45 p.m. Gaspard announced that in view of WICHE'S 50th anniversary and celebration of higher education day on March 26, the Board's scheduled meeting would be held only in the morning to allow the members to participate in these two events.

March 2003

Status Report – Notification of Intent

INTRODUCTION

In January 2001, the Higher Education Coordinating Board (HECB) adopted revised *Guidelines for Program Planning, Approval and Review*, in order to expedite and improve the process for the institutions and HECB alike. One of the major changes in the *Guidelines* includes a new program review and approval process for existing degree programs proposed to be offered at a branch campus, a new off-campus location, via distance learning technologies, or a combination of delivery methods.

The process requires an institution to submit a Notification of Intent (NOI) in electronic format to the HECB at least 45 days prior to the proposed start date of the program. The NOI includes the following information:

- Name of institution
- Degree title
- Delivery mechanism
- Location
- Implementation date
- Substantive statement of need
- Source of funding
- Year 1 and full enrollment targets (FTE and headcount)

HECB staff posts the institution's NOI on the HECB Web site within 5 business days of receipt, and via email notifies the provosts of the other public four-year institutions, the Washington Association of Independent Colleges and Universities, the Inter-institutional Committee on Academic Program Planning, and the Council of Presidents. The other public four-year institutions and HECB staff have 30 days to review and comment on the NOI via an email link on the HECB Web site.

If there are no objections, the HECB Executive Director approves the existing degree program proposed to be offered at a branch campus, a new off-campus location, via distance learning technologies, or a combination of delivery methods. If there is controversy, the HECB will employ its dispute resolution process.

STATUS REPORT

From December 18, 2002, through March 26, 2003 the HECB Executive Director has approved the following existing degree program in accordance with the NOI process.

Institution	Degree Title	Location	Approval Date
CWU	MEd in Administration	CWU SeaTac Center	March 10, 2003
UW	Executive Master of Public Administration	UW Seattle: Mixed Delivery	March 10, 2003



March 2003

Proposed Changes to Residency Requirements: Update with Draft Language

Background

The Higher Education Coordinating Board (HECB), “upon consideration of advice from representatives of the state’s institutions with the advice of the attorney general, adopts rules and regulations to be used by the state’s institutions for determining a student’s resident and nonresident status and for recovery of fees for improper classification of residency” (RCW 28B.15.015). RCW 28B.15.011 specifies legislative intent that the state institutions of higher education shall apply uniform rules as prescribed in RCW 28B.15.012 through 28B.15.014 and not otherwise, in determining whether students shall be classified as resident students or nonresident students for all tuition and fee purposes.

In October 2002, HECB staff presented an overview of residency policy and practices, including:

- Background information on residency
- Current Washington State policy
- Examples of policy in other states
- Fall 2001 enrollment
- Issues connected to residency policy

A side-by-side comparison of current Washington Administrative Code (WAC) language and the University of Washington’s initial proposed changes was presented at the Board meeting in January 2003. In February of 2003, a status report was presented to the Board, summarizing institutional feedback and concerns. On March 4, 2003, a CR-101 (Preproposal Statement of Inquiry) form was filed with the Code Reviser’s Office, beginning the public process for changing the residency rules.

The next step in the rulemaking process requires filing a CR-102 (Proposed Rule Making), including draft language. It is requested that the Board approve the attached proposed language for filing under Resolution No. 03-06.

WAC 250-18-010: Purpose and Applicability

Current Language	Proposed Language
This chapter is promulgated pursuant to RCW 28B.15.015 to establish the necessary regulations for the administration of residency status in higher education. Institutions shall apply the provisions of the regulations specified in chapter 250-18 WAC for the uniform determination of a student's resident and nonresident status and for recovery of fees for improper classification of residency.	No Change

WAC 250-18-015: Definitions

Current Language	Proposed Language
(1) The term "institution" shall mean a public university, college, or community college within the state of Washington.	No Change
(2) The term "domicile" shall denote a person's true, fixed and permanent home and place of habitation. It is the place where he or she intends to remain, and to which he or she expects to return when he or she leaves without intending to establish a new domicile elsewhere.	(2) The term "domicile" shall denote a person's true, fixed and permanent home and place of habitation for other than educational purposes . It is the place where he or she intends to remain, and to which he or she expects to return when he or she leaves without intending to establish a new domicile elsewhere.
(3) The term "reside" shall mean the maintenance and occupancy of a primary residence in the state of Washington.	No Change
(4) The term "financially independent" shall be determined according to WAC 250-18-035.	No Change
(5) The term "dependent" shall mean a person who is not financially independent.	No Change
(6) The term "resident" for tuition and fee purposes shall be determined according to WAC 250-18-020.	No Change
(7) The term "nonresident" for tuition and fee purposes shall be determined according to WAC 250-18-020.	No Change
(8) The term "recovery of fees" shall apply to the amounts due to the institution or the student as a result of improper classification.	No Change

(9) The term “civil service” shall mean Washington state or federal government nonmilitary employment.	No Change
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WAC 250-18-020: Student Classification

Current Language	Proposed Language
(1) For a student to be classified as a “resident” for tuition and fee purposes, he or she shall:	(1) For a student to be classified as a “resident” for tuition and fee purposes, he or she must prove by evidence of a sufficient quantity and quality to satisfy the institution that he or she:
(a)(i) Have established a bona fide domicile in the state of Washington primarily for purposes other than educational for the period of one year immediately prior to commencement of the first day of the semester or quarter for which he or she has registered at any institution; and	(a)(i) Has established a bona fide domicile in the state of Washington primarily for purposes other than educational for the period of one year immediately prior to commencement of the first day of the semester or quarter for which he or she has registered at any institution; and
(a)(ii) Be financially independent; or	(a)(ii) Is financially independent; or
(b) Be a dependent student, with one or both of whose parents or legal guardians have maintained a bona fide domicile in the state of Washington for at least one year immediately prior to commencement of the semester or quarter for which the student has registered at any institution; or	(b) Is a dependent student, one or both of whose parents or legal guardians have maintained a bona fide domicile in the state of Washington for at least one year immediately prior to commencement of the semester or quarter for which the student has registered at any institution; provided that;

<p>(c) A student who has spent at least seventy-five percent of both his or her junior and senior years in high school in this state, whose parents or legal guardians have been domiciled in the state for a period of at least one year within the five-year period before the student graduates from high school, and who enrolls in a public institution of higher education within six months of leaving high school, for as long as the student remains continuously enrolled for three quarters or two semesters in any calendar year;</p>	<p>(c) Any student who has spent at least seventy-five percent of both his or her junior and senior years in high school in this state, whose parents or legal guardians have been domiciled in the state for a period of at least one year within the five-year period before the student graduates from high school, and who has enrolled in a public institution of higher education within six months of leaving high school, shall be considered a resident only for as long as the student remains continuously enrolled for three quarters or two semesters in any calendar year; or</p>
<p>(d) Be the spouse or dependent of an active duty military person stationed in the state of Washington;</p>	<p>(c) Is the spouse or dependent of an active duty military person stationed in the state of Washington;</p>
<p>(e) Be a student of an out-of-state institution of higher education who is attending a Washington state institution of higher education pursuant to a home tuition program agreement under RCW 28B.15.725; or</p>	<p>(d) Is a student of an out-of-state institution of higher education who is attending a Washington state institution of higher education pursuant to a home tuition program agreement under RCW 28B.15.725; or</p>
<p>(f) Be a student domiciled for one year in one or a combination of the following states: Idaho, Montana, Oregon, or Washington, and be a member of one of the following Indian tribes: (A list of thirty-three tribes follows).</p>	<p>(e) Is a student domiciled for one year in one or a combination of the following states: Idaho, Montana, Oregon, or Washington, and is a member of one of the following Indian tribes: (A list of thirty-three tribes follows).</p>
<p>(2) A student shall be classified as a “nonresident” for tuition and fee purposes if he or she does not qualify as a resident student under the provisions of subsection 1 of this section. A nonresident student shall include a student if he or she:</p>	<p>No Change</p>

(a) Will be financially dependent for the current year or was financially dependent for the calendar year prior to the year in which application is made and who does not have a parent or legally appointed guardian who has maintained a bona fide domicile in the state of Washington for one year immediately prior to the commencement of the semester or quarter for which the student has registered at an institution;	No Change
(b) Attends an institution with financial assistance provided by another state or governmental unit or agency thereof wherein residency in that state is a continuing qualification for such financial assistance, such nonresidency continuing for one year after the completion of the quarter or semester for which financial assistance is provided. Such financial assistance relates to that which is provided by another state, governmental unit or agency thereof for direct or indirect educational purposes and does not include retirements, pensions, or other noneducational related income. A student loan guaranteed by another state or governmental unit or agency thereof on the basis of eligibility as a resident of that state is included within the term “financial assistance;”	No Change
(c) Is not a citizen of the United States of America, unless such person holds permanent or temporary resident immigration status, “refugee-parolee,” or “conditional entrant” status or is not otherwise permanently residing in the United States under color of law and further meets and complies with all applicable requirements of WAC 250-18-030 and 250-18-035.	No Change

(3) A person does not lose a domicile in the state of Washington by reason of residency in any state or country while a member of the civil or military service of this state or of the United States, nor while engaged in the navigation of the waters of this state or of the United States or of the high seas if that person returns to the state of Washington within one year or discharge from said service with the intent to be domiciled in the state of Washington.	No Change
(4) Any resident dependent student who remains in this state when such student's parents or legal guardians, having theretofore been domiciled in this state for a period of one year immediately prior to commencement of the first day of the semester or quarter for which the student has registered at any institution, move from this state, shall be entitled to continued classification as a resident student so long as such student is continuously enrolled during the academic year.	No Change

WAC 250-18-025: Classification Procedure

Current Language	Proposed Language
(1) After a student has registered at an institution, such student's classification shall remain unchanged in the absence of satisfactory evidence to the contrary. The provision of such evidence to the contrary may be initiated by the student or the institution.	(1) After a student has registered at any institution as a nonresident , such student's classification shall remain unchanged in the absence of evidence of a sufficient quantity and quality to satisfy the institution to the contrary. The provision of such evidence to the contrary may be initiated by the student or the institution.
(2) Application for a change in classification shall be accepted up to the thirtieth calendar day following the first day of the instruction of the quarter or semester for which application is made. Applications made after that date in any quarter or semester shall be considered to have been filed as of the first day of the subsequent quarter or semester.	No Change

(3) Any change in classification, either nonresident to resident, or the reverse, shall be based upon written evidence maintained in the files of the institution.	No Change
(4) Approval of an application for resident status shall be made only after satisfaction that the requirements of domicile and independency or dependency have been made in compliance with RCW 28B.15.012 and WAC 250-18-030 and 250-18-035. Reclassification from nonresident to resident status preliminarily approved sixty days or more prior to the satisfaction of a one-year durational domicile shall be supplemented with additional documented proof of domicile if deemed necessary by the institution prior to final approval.	No Change
(5) The burden of proof that a student, parent, or legally appointed guardian has established a domicile in the state of Washington primarily for purposes other than educational lies with the student.	No Change
(6) For any student classified as a resident or authorized to pay resident fees or exempted from the payment of the nonresident differential on a basis other than an established domicile in the state of Washington, the fee paying status of such student shall be subject to determination each term on the basis of chapter 28B.15 RCW.	No Change

WAC 250-18-030: Establishment of a Domicile

Current Language	Proposed Language
The domicile of any person shall be determined according to the individual's situation and circumstances rather than by marital status or sex. The establishment of a domicile is not determined on the basis of a single factor; nor is a predetermined number of factors required.	The domicile of any person shall be determined according to the individual's overall situation and circumstances and is not determined on the basis of a single factor; nor is a predetermined number of factors required.
Institutions shall require evidence of a Washington domicile that would reasonably negate the existence of a domicile in a state other than Washington.	Institutions shall require evidence of a Washington domicile that is of sufficient quantity and quality to negate the existence of a domicile in a state other than Washington.

A nonresident student who is enrolled for more than six hours per semester or quarter shall be presumed to be in the state of Washington for primarily educational purposes. Such period of enrollment shall not be counted toward the establishment of a bona fide domicile of one year in this state unless such student proves that he or she has, in fact, established a bona fide domicile in this state primarily for purposes other than educational.	No Change
To aid the institutions in determining whether a student, parent, legally appointed guardian, or the person having legal custody of a student has established a bona fide domicile in the state of Washington primarily for purposes other than educational, the following factors are to be considered:	To aid the institutions in determining whether a student, parent, legally appointed guardian, or the person having legal custody of a student has established a bona fide domicile in the state of Washington primarily for purposes other than educational, the following factors are to be considered for both the individual and his or her spouse. The weight assigned to any given factor should depend on the ease with which it might be established and the degree to which it demonstrates commitment to domicile as a matter of common sense and as part of the individual's overall circumstances.
(1) Registration or payment of taxes or fees on a motor vehicle, mobile home, travel trailer, boat, or any other item of personal property owned or used by the person for which state registration or the payment of a state tax or fee is required, for the one year immediately prior to commencement of the semester or quarter for which application is made;	(1) Location and duration of registration or payment of taxes or fees on any motor vehicle, mobile home, travel trailer, boat, or any other item of personal property owned or used by the person;
(2) Valid Washington driver's license for the one year immediately prior to the commencement of the quarter or semester for which application is made;	(2) State and duration of any driver's license for the previous one year;

(3) Permanent full-time employment in the state of Washington during the one year immediately prior to commencement of the semester or quarter for which application is made;	(3) Location and duration of any continuous full-time employment for the previous one year;
(4) Address and other pertinent facts listed on a true and correct copy of federal and state income tax returns for the calendar year prior to the year in which application is made;	No Change
(5) Location of voter registration for the one year period immediately prior to commencement of the semester or quarter for which application is made;	(5) Location and duration of any voter registration for the previous one year;
(6) Purchase of primary residence, lease agreement, or monthly rental receipts for one year immediately prior to commencement of the semester or quarter for which application is made;	(6) Location and duration of primary residence, evidenced by title , lease agreement, or monthly rental receipts for the previous one year;
(7) Residence status of the student in schools attended outside the state of Washington;	(7) Residence status in all secondary and postsecondary schools attended outside the state of Washington;
(8) Location of checking account, savings account, and/or safety deposit box for one year immediately prior to commencement of the semester or quarter for which application is made.	(8) Location and duration of any checking accounts, savings accounts, and/or safety deposit boxes for the previous one year;

<p>Additional factors may be considered at the request of a student as supporting documentation of a one-year durational domicile. Such factors may include, but are not limited to:</p> <ul style="list-style-type: none"> (1) Address of student listed on selective service registration; (2) Location of membership in professional, business, civic, or other organizations. 	<ul style="list-style-type: none"> (9) Address listed on selective service registration; (10) Location of membership in professional, business, civic or other organizations; (11) Receipt of benefits under a public assistance programs; (12) State claimed as residence for obtaining eligibility to hold a public office or for judicial actions; (13) State claimed as residence for obtaining state hunting or fishing licenses; (14) State in which a custodial parent has a child attending public schools.
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WAC 250-18-035: Evidence of Financial [Dependence or] Independence

Current Language	Proposed Language
A person is financially independent if he or she has not been and will not be claimed as an exemption and has not received and will not receive financial assistance in cash or in kind of an amount equal to or greater than that which would qualify him or her to be claimed as an exemption for federal income tax purposes by any person except his or her spouse for the current calendar year immediately prior to the year in which application is made.	A person is financially independent if he or she has not been and will not be claimed as an exemption and has not received and will not receive significant financial assistance in any form directly or indirectly from his or her parents, relatives, or legal guardians for the current calendar year and for the calendar year immediately prior to the year in which application is made.
(1) To substantiate a reasonable presumption that a person is financially independent, the institution may require such documentation as deemed necessary, including but not limited to the following:	(1) To consider a claim that a person is financially independent, the institution may require such documentation as deemed necessary, including but not limited to the following:
(a) The individual's sworn statement.	No Change

(b) A true and correct copy of the state and federal income tax return of the person for the calendar year immediately prior to the year in which application is made. Should a person not have filed a state or federal income tax return because of minimal or no taxable income, documented information concerning the receipt of such nontaxable income may be submitted.	No Change
(c) A true and correct copy of the person's W-2 form filed for the previous calendar year.	(c) A true and correct copy of the person's W-2 forms filed for the previous calendar year.
(d) Other documented financial resources. Such other resources may include but not be limited to, the sale of personal or real property, inheritance, trust fund, state or financial assistance, gifts, loans, or statement of earnings of the spouse of a married student.	(d) Other documented financial resources which may include but are not limited to: the sale of personal or real property, inheritance, trust funds, state or financial assistance, gifts, loans, or statement of earnings of the spouse of a married student.

<p>(e) A true and correct copy of the first and signature page of the state and federal tax returns of the parents, legally appointed guardians, or person or persons having legal custody of the student for the calendar year immediately prior to the year in which application is made. The extent of the disclosure required concerning the parent's or legal guardian's state and federal tax returns shall be limited to the listing of dependents claimed and the signature of the taxpayer and shall not require disclosure of financial information contained in the returns.</p>	<p>No Change</p>
<p>(f) A student whose parents are both deceased or who has been made an official ward of the court may be required to provide documentation attesting to the fact of such circumstances.</p>	<p>(f) No Change Addition: (g) Evidence of coverage for medical, life, automobile, and property insurance.</p>

<p>(2) To aid institutions in determining the financial independence of a student whose parents, legally appointed guardian, or person having legal custody of the student do not provide the documentation because of total separation or other reasons from the student, documentation clearly stating the student's status and relationship with his or her parents or legal guardian from a responsible third person, e.g., family physician, lawyer, or social worker may be submitted.</p>	<p>(2) No Change</p> <p><u>Additions:</u></p> <p>(3) To be considered financially independent, a student must demonstrate by evidence satisfactory to the institution that he or she has met, through his or her income, the expenses associated with college tuition and living for the current calendar year and the calendar year immediately prior to the year in which application is made. Personal loans, PLUS loans (Parent Loan for Undergraduate Students), gifts, and cash earnings shall not be counted as income in this calculation. Financial aid grants, scholarships and loans authorized by the financial aid office in the student's name may be considered as personal income.</p> <p>(4) A trust or other account available to the student shall be considered evidence of financial dependence. If the account was created before the student entered high school, there shall be a rebuttable presumption of dependence.</p>
<p>(3) Information submitted by the student to the institution on the Washington financial aid form may be used to affirm the authenticity of information submitted on an application.</p>	<p>No change to language, but change paragraph number to (5).</p>
<p>(4) In all cases, the burden of proof that a student is financially independent lies with the student.</p>	<p>No change to language, but change paragraph number to (6).</p>

WAC 250-18-040: Evidence of Financial Dependency

Current Language	Proposed Language
<p>(1) To aid the institutions in determining whether a student is financially dependent and whether his or her parent, legally appointed guardian, or the person having legal custody of the student has maintained a bona fide domicile in the state of Washington for one year, the following factors are to be considered:</p> <p>(a) Legal proof of guardianship or custody which shall be the responsibility of the student;</p> <p>(b) Evidence of established domicile of parent, guardian, or custodian which shall be the responsibility of the student;</p> <p>(c) The identification of the student as a dependent on the federal income tax return of the parents, legally appointed guardians or person having legal custody, which shall be proof of the student's financial dependency.</p> <p>(2) Proof of a student's financial dependency for the current calendar year or the calendar year immediately prior to the year in which application is made which shall be the responsibility of the student. Additional documentation to substantiate dependency during the current calendar year may be required at a later time if deemed necessary by the institution.</p> <p>(3) A student who provides evidence that he or she is a dependent and has a parent or legal guardian who has maintained a one-year domicile in the state of Washington shall not be required to establish a one-year domicile prior to classification of resident status, provided such a student may not be classified as a resident while receiving financial assistance from another state, governmental unit or agency thereof for educational purposes.</p>	<p>Entire section deleted.</p>

WAC 250-18-045: Administration of Residency Status

Current Language	Proposed Language
<p>Administration of residency status shall be the responsibility of the institution's board of trustees or regents in compliance with RCW 28B.15.011 through 28B.15.014 and chapter 250-18 WAC.</p> <p>Boards of trustees or regents shall designate an institutional official responsible for making decisions on resident and nonresident status of students, and for maintaining records and documentation in support of such decisions.</p> <p>Institutions shall use a uniform statewide form consistent with the provisions of chapter 250-18 WAC for the determination of change in residence status.</p>	No Change

WAC 250-18-050: Appeals Process

Current Language	Proposed Language
<p>Any final institutional determination of classification shall be considered a ruling on a contested case and shall be subject to court review only under procedures prescribed by chapter 34.05 RCW.</p>	No Change

WAC 250-18-055: Recovery of Fees for Improper Classification of Residency

Current Language	Proposed Language
<p>To aid the institutions in the determination of accuracy of statements made by a student, institutions shall require that a student affirm the authenticity of all information and supporting documentation provided by his or her signature thereon.</p> <p>If erroneous, untrue, or incorrect information submitted results in an improper classification of resident or nonresident status, or if a final determination is reversed through the appeals process, institutions shall recover from the student or refund to the student as the case may be an amount equal to the total difference in tuition and fees had the proper classification been made.</p>	No Change

WAC 250-18-060: Exemptions from Nonresident Status

Current Language	Proposed Language
<p>In accordance with RCW 28B.15.014, certain nonresidents may be exempted from paying the nonresident tuition and fee differential. Exemption from the nonresident tuition and fee differential shall apply only during the term(s) such persons shall hold such appointments or be so employed. To be eligible for such an exemption, a nonresident student must provide documented evidence that he or she does reside in the state of Washington, and:</p> <ul style="list-style-type: none">(1) Holds a graduate service appointment designated as such by an institution involving not less than twenty hours per week;(2) Is employed for an academic department in support of the instructional or research programs involving not less than twenty hours per week;	No Change

<p>(3) Is a faculty member, classified staff member, or administratively exempt employee who resides in the state of Washington and is holding not less than a half-time appointment, or the spouse or dependent child of such a person;</p> <p>(4) Is an active duty military person stationed in the state of Washington;</p> <p>(5) Is an immigrant having refugee classification from the U.S. Immigration and Naturalization Service or the spouse or dependent child of such refugee, if the refugee (a) is on parole status, or (b) has received an immigrant visa, or (c) has applied for United States citizenship; or</p> <p>(6) Is a dependent of a member of the United States Congress representing the state of Washington.</p>	
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WAC 250-18-070 PROSPECTIVE APPLICATION OF AMENDMENTS (NEW SECTION)

N/A	Amendments to this chapter apply prospectively to the academic quarter which commences subsequent to the adoption of the amendments.
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RESOLUTION NO. 03-06

WHEREAS, RCW 28B.15.015 directs the Higher Education Coordinating Board, upon consideration of advice from representatives of the state's institutions with the advice of the attorney general, to adopt rules and regulations to be used by the state's institutions for determining a student's resident and nonresident status and for recovery of fees for improper classification of residency; and

WHEREAS, RCW 28B.15.011 specifies legislative intent that the state institutions of higher education shall apply uniform rules as prescribed in RCW 28B.15.012 through 28B.15.014 and not otherwise, in determining whether students shall be classified as resident students or nonresident students for all tuition and fee purposes; and

WHEREAS, The University of Washington has requested revisions to Washington Administrative Code (WAC) sections 250-18-015 through 250-18-045, and adding a new section (WAC 250-18-060) as follows:

- Reinforcing that establishment of a domicile be for other than educational purposes
- Emphasizing unchanging classification as a nonresident in the absence of evidence of a sufficient quantity and quality to satisfy the institution to the contrary
- Changing wording regarding proof of financial dependence or independence from "substantiate a reasonable presumption" to "consider a claim"
- Changing evidence required for consideration of a claim of financial independence by
 - Adding "evidence of coverage for medical, life, automobile and property insurance"
 - Requiring that a student "demonstrate by evidence satisfactory to the institution that he or she has met, through his or her income, the expenses associated with college tuition and living for the current calendar year and the calendar year immediately prior to the year in which application is made. Personal loans, PLUS loans, gifts, and cash earnings shall not be counted as income in this calculation. Financial aid grants, scholarships, and loans authorized by the financial aid office in the student's name may be considered as personal income."
 - Making "a trust or other account available to the student evidence of financial dependence. If the account was created before the student entered high school, there shall be a rebuttable presumption of dependence."
- Changing evidence required for consideration of a claim of financial dependence to be the same as that required for financial independence
- Adding certain types of documentation and clarification as to "duration and location" of evidence required to prove establishment of domicile
- Changing wording in certain sections where proof is required; proposing:
 - That proof of student classification be "of sufficient quantity and quality to satisfy the institution"

- That proof of domicile be determined according to the individual's "overall" situation with factors considered "for both the individual and his or her spouse", with "weight assigned to any given factor depending on the ease with which it might be established and the degree to which it demonstrates commitment to domicile as a matter of common sense and as part of the individual's overall circumstances"
- That proof of financial independence be "satisfactory to the institution"
- Adding a new section WAC 250-18-060, "making amendments to this chapter apply prospectively to the academic quarter which commences subsequent to the adoption of the amendments."

THEREFORE, BE IT RESOLVED, That the Higher Education Coordinating Board directs staff to continue the public rulemaking process to modify the current Washington Administrative Code sections 250-18-015 through 250-18-045, and add WAC 250-18-060 as proposed.

Adopted:

March 26, 2003

Attest:

Bob Craves, Chair

Pat Stanford, Secretary

HECB Legislative Issues: 2003 Status Report

March 26, 2003

Issue	HECB Perspective	Legislative Status
Biennial operating budget, 2003-05	HECB budget recommendation calls for \$1.1 billion increase for enrollment, core funding and financial aid	The House Appropriations Committee budget proposal for 2003-05 may be presented by the end of March. The March 19 revenue forecast projects a net reduction in state revenue of about \$200 million, increasing the estimated state budget shortfall to \$2.6 billion
Biennial operating budget – Higher education cuts		The Governor's budget includes \$139 million in base funding cuts that could be restored with revenue from authorized tuition increases of up to 9% per year. An additional \$40 million in 'non-instructional' cuts would be imposed
High-demand enrollments	HECB requests funds for competitive high-demand pool of 1,000 new FTE enrollments in 2004-05. Two- and four-year institutions would be eligible, as would public-private partnerships	High-demand enrollment issues may be addressed in the state operating budget. Two high-demand enrollment bills were introduced (SB 5304 and HB 1422), but neither has passed the House or Senate. Governor Locke's entire new enrollment proposal – 550 FTE in 2003-04 and 1,000 more in 2004-05 – would be allocated to HECB for a competitive high-demand pool
Tuition-setting authority	HECB supports granting four-year institution boards and SBCTC unrestricted tuition-setting authority for all students, including resident undergraduates	Governor's budget continues state-imposed tuition ceilings for resident undergraduates, with increases capped at 9% per year. Colleges would retain full tuition-setting authority for all other types of students Legislation (SB 5448) to enact the Governor's approach as statutory state policy was passed by the Senate, 34-15, on March 18. A Senate amendment would limit institutional tuition-setting authority to six years for all students except resident undergraduates
Higher education tuition surcharges		The Senate voted 28-21 on March 13 to pass SB 5135 , calling for tuition surcharges for students who accrue excessive credits without graduating. A Senate amendment would direct HECB to hear student appeals

Issue	HECB Perspective	Legislative Status
Financial aid fund management	HECB supports making maximum use of financial aid funds for their intended purposes	The House voted 92-0 on March 11 to pass HB 1123 to establish a new financial aid account. Funds not spent in one fiscal year would be retained for the following year
Educational Opportunity Grant program changes	HECB has requested legislation to update and revise the EOG program	The House voted 93-0 on March 11 to pass HB 1731 , and the Senate voted 49-0 on March 17 to pass SB 5676 . Under both bills, students in all 39 counties could receive the grant to attend all accredited colleges and universities. Presently, the program serves students in 13 counties and may not be used at UW or WSU branches
Resident tuition rates for undocumented students	HECB supports concept of making certain undocumented students eligible for resident tuition rates	The House voted 75-20 on Feb. 21 to pass HB 1079 to grant residency status to undocumented students who reside and attend high school in Washington. The full Senate has not acted upon similar legislation (SB 5158) recommended for passage by the Higher Education Committee
HECB membership issues	HECB currently includes 10 members – nine private citizens and one student member	SB 5136 would add the superintendent of public instruction to the HECB. This bill was not approved by the Senate Higher Education Committee, but HECB membership may be addressed in other legislation
Grant program for dependent care	HECB currently administers dependent care allowance through State Need Grant	The House voted 95-0 on March 10 to pass HB 1277 to create a privately funded HECB program to give grants of at least \$1,000 per year to Need Grant-eligible students who care for dependent children. Similar legislation (SB 5660) is pending in the Senate
HECB master plan process	The 2004 master plan for higher education is due to Legislature and Governor in December 2003	The House voted 96-0 on March 13 to pass HB 2076 , which would require a statewide HECB strategic plan and integrated institution plans that reflect state goals and strategies. The bill is scheduled for a hearing March 27 in the Senate, which is also considering SCR 8406 to convene a legislative work group on master plan issues

Issue	HECB Perspective	Legislative Status
College and university performance contracts		The House voted 96-0 on March 13 to pass HB 2111 , which would create a task force of legislators and higher education representatives to study the feasibility of developing performance contracts between the state and the public four-year universities and the two-year college system
Master plan for education	The HECB develops a higher education master plan every four years	The Senate voted 43-5 on March 16 to pass SCR 8401 , which would establish an interim legislative work group to study the development of a master plan for education including preschool, K-12 and higher education
Electrical engineering degree-granting authority		The House voted 95-0 on March 15 to pass HB 1808 , which would permit Eastern Washington University to seek HECB approval to offer an electrical engineering degree program. Similar legislation, SB 5475 , was approved 49-0 in the Senate on March 6. State law now limits electrical engineering to the research universities
Transfer issues		The House voted 95-0 on March 14 to pass HB 1909 , which would create a pilot project to develop competency-based transfer degrees. The House also voted 95-0 on March 10 to pass HB 1453 , which calls for a work group including the HECB to develop flexible transfer options for students who don't receive AA degrees, and to develop transfer degrees for specific academic majors
Enrollment entitlement budgeting	HECB has identified the need for an additional 33,600 state-funded FTE enrollment slots by 2010	Under SB 5241 the budget would fund the actual number of full-time enrollments reported by the Office of the Forecast Council for the most recent fall quarter. This bill has not advanced in the Senate and is considered dead for this session

Progress Report Table – Mar 26 2003.doc
Bruce Botka – 360-753-7811 – bruceb@hecb.wa.gov



March 2003

Master Plan 2004 Tuition and Financial Aid

Executive Summary

At the Board's February 26, 2003, meeting, staff presented the attached discussion paper on the tuition and financial aid portion of the master plan.

The provosts and financial aid directors from the six public baccalaureate institutions, as well as representatives from the State Board for Community and Technical Colleges, Washington Association of Independent Colleges and Universities, Washington Federation of Private Career Schools and Colleges, and the Washington Student Lobby have been invited to address the Board at its March 26 meeting. At that time, they will present their perspectives on tuition and financial aid issues they would like the Board to consider as it develops the 2004 master plan.

Staff will prepare a synopsis of the ideas presented for the Board's review. Board discussion on tuition and financial aid will be scheduled for the May 28 meeting.

February 2003

Discussion Paper for the 2004 Master Plan: Tuition and Financial Aid

This discussion paper provides a context for considering Washington State's tuition and financial aid policies and the influence these components have on who attends college. Specifically, the paper:

- Reviews the Board's policies on tuition and financial aid;
- Suggests measurements that could be used to assess the outcomes of these policies;
- Discusses the linkage between tuition policy and financial aid;
- Reviews the financial aid available to Washington citizens; and
- Outlines emerging financial aid issues and considerations.

State tuition and financial aid policies address several questions of public concern:

- What portion of higher education costs should be a student and family responsibility, and what portion should be the state's responsibility?
- What financial aid commitments should the state make to students and families who lack the means to meet the full price of a college education?
- And finally, in the face of steeply rising higher education costs and ever-increasing demands on the state treasury, how does the state ensure that higher education will continue to be affordable for all who can benefit from it?

I. Board Policy on Tuition and Financial Aid

A. TUITION POLICY

History

Between 1977 and 1995, state law established tuition rates as a percentage of the cost of instruction. Under this "cost-sharing" approach, the student contributed a portion of the cost and the state provided the remainder. Cost-sharing assumes that both the student and society benefit from having an educated and productive citizenry. A Carnegie Commission study determined that, nationally, tuition covered 24 percent of the cost of instruction at public higher education institutions. The Commission recommended that this proportion be increased to 33 percent within 10 years.

From 1981-82 through 1992-93, resident undergraduate tuition was 33.3 percent of the cost of instruction at the research universities, 25 percent at the comprehensive universities, and 23 percent at the community colleges. These percentages were raised in the 1993-94 and 1994-95 academic years.

Since the 1995-96 academic year, the Legislature and Governor have set or capped tuition in statute or in the state operating budget. For six years, the specific tuition increase rates were around 4 percent per year. The Board's 2000 Master Plan and 2001-03 budget recommendations urged linking future increases in tuition at public colleges and universities to changes in state per capita personal income. While not adopted as state policy, the tuition increases set by the Legislature in the late 1990s were close to the increase in per capita personal income in Washington.

In 2001-02, the maximum tuition increase for resident undergraduates was set at 6.7 percent. In 2002-03, the maximums for resident undergraduate tuition increases were 16 percent at the research universities, 14 percent at the comprehensive institutions, and 12 percent at the community and technical colleges. The institutions set tuition rates for non-residents and graduate/professional school students. The 2002-03 tuition rate increases were designed to back-fill cuts in state support for higher education.

For the 2003-05 Biennium, the Governor has proposed that resident undergraduate tuition be increased 9 percent per year and that institutions set tuition rates for non-residents and graduate/professional school students. State support for higher education is also reduced by the amount that a 9 percent tuition per year tuition increase would raise.

Current Board Tuition Policy

The current HECB policy adopted in January 2002 (Resolution No. 02-01) (Appendix A) has several parts:

- The HECB recommends that the state examine all possible sources of funding – including the possible restructuring or expansion of the state's tax system – to find the means necessary to preserve its financial commitment to public higher education through a permanent and dedicated funding source.
- ***The HECB recommends to the Governor and the Legislature that the governing boards of Washington's public colleges and universities be given tuition-setting authority.***
- Because this recommendation represents a significant change in the state's long-term tuition policy, it should be accompanied by the following actions:
 - That the governing boards preserve the long-standing state policy of affordable and predictable tuition for all citizens and develop a public process for setting tuition that provides for comment from the Governor, Legislature, HECB, students and the public;

- That the governing boards of the public colleges and universities, while recognizing that their students will continue to utilize federal and state financial aid programs, ensure that institutional financial aid be available and increased at a rate compatible with tuition increases;
- That the state maintain a baseline of overall funding support and meet its responsibility to fund projected enrollment increases and state financial aid and scholarship programs, including the increases necessary to ensure students are not deprived of access to higher education due to increases in tuition;
- That in addition to providing the funds for financial aid programs to reflect tuition increases, the state also consider improvements in other student assistance programs, such as establishing the Washington Promise Scholarship as a four-year, richer scholarship for students of merit;
- That the state provide adequate funding to expand enrollment so colleges and universities are not required to over-enroll to provide needed access to students;
- That Washington public colleges and universities meet the increasing demands and needs of citizens while maintaining accessibility for all citizens so they may achieve their higher education goals;
- That public colleges and universities continue to seek ways to be more efficient and effective with their resources;
- That the public colleges and universities determine how changes in tuition affect the demographic and socioeconomic composition of the student body; and
- That the Board join with the Governor's Office, the Legislature and the institutions of higher education to further study the relationships between policies of state support, tuition and financial aid.

B. FINANCIAL AID POLICY

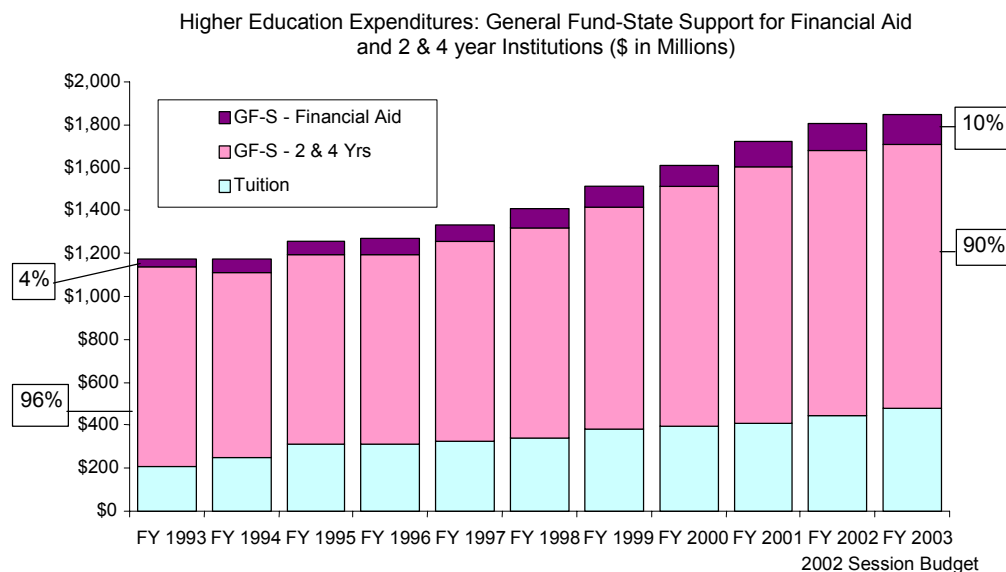
History

Washington State has a longstanding and consistent commitment to the support of financial aid programs, which have made college possible for thousands of students. The Legislature recognizes that many students do not have sufficient personal resources to pay for tuition, books, and living costs.¹ The depth of this commitment is demonstrated through statutory language. RCW 28B.10.786 states that "...financial need [should] not be a barrier to participation in higher education."

¹ According to budget guidelines adopted by the Washington Financial Aid Association, 2002-03 academic year, tuition, books, and living expenses for students living on-campus or sharing an apartment will cost an estimated \$11,558 at a community/technical college, \$12,983 at a public comprehensive university, and \$14,065 at a public research university. The U.S. Department of Education estimates that a typical family of four, with assets in the range of \$25,000 to \$50,000, would have to earn \$80,000 to \$90,000 per year to cover these costs from current income.

Tuition policy and state support for financial aid are closely linked. RCW 28B.15.065 states, “It is the intent of the legislature that needy students not be deprived of access to higher education due to increases in educational costs or consequent increases in tuition and fees.” Since adopting that statutory intent statement in 1977, the Legislature has consistently increased funding for financial aid to protect the lowest-income students from the effects of tuition increases.

The Proportion of State Funding for Financial Aid Has Increased in Response to Tuition Increases



Source: House Office of Program Research. LEAP Expenditure Data, Winsum Reporting System

The policy framework for state financial aid programs is established in RCW 28B.10. Specifically:

- The Higher Education Coordinating Board is charged with coordinating all existing programs of financial aid, except those dedicated to a particular institution by the donor.
- State programs should complement the larger federal financial aid programs and be coordinated with other federal and institutional financial aid programs to ensure the best use of resources.
- State financial aid should be “packaged” with other sources of assistance, and cannot exceed a recipient’s financial need.
- The Board is charged with ensuring that state programs allow students to attend the eligible institution of their choice.
- Student recipients must be enrolled in a program leading to a degree or certificate from a participating college or university, and maintain satisfactory progress toward program completion.

Current Board Financial Aid Policy

The Board is committed to the policy objectives of the Legislature as established in statute. Additionally, the Board remains committed to:

- Providing State Need Grants equal to full public tuition to students with family incomes of up to 65 percent of the state median, with a focus on serving the neediest students first;
- Providing Promise Scholarships equal to full community and technical college tuition for currently eligible students; and
- Supporting the variety of state financial aid programs and the multiple public purposes they serve.

II. Tuition and Financial Aid Policy: Assessment and Accountability

The Board’s policies on tuition and financial aid are dependent on actions of the state and the institutions. How could the effectiveness of these policies be measured?

The Board’s policies on tuition and financial aid require the state and the institutions to take certain actions to ensure the continued affordability and accessibility of Washington public higher education. If the governing boards are to set tuition, the governing boards and the state must be held accountable. Below are some suggested measures to determine whether institutions and the state are performing in the public interest.

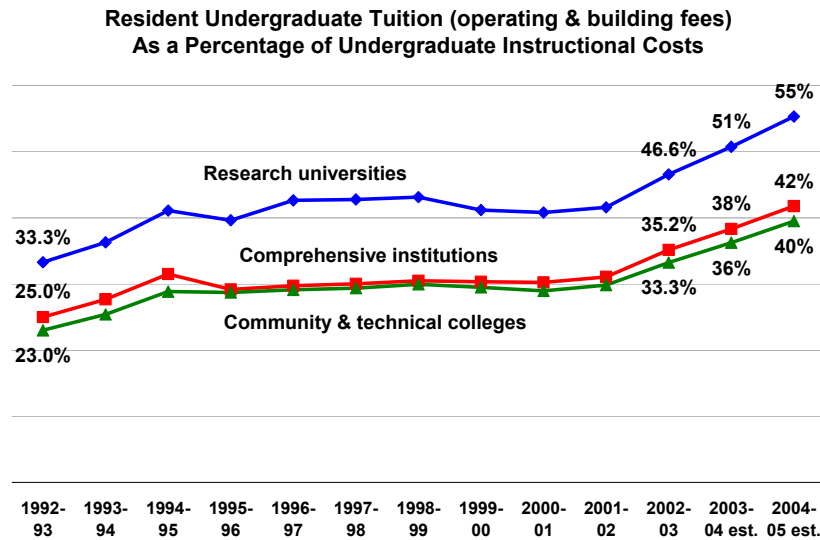
A. AFFORDABLE AND PREDICTABLE TUITION

The HECB requested that *“the governing boards preserve the long-standing state policy of affordable and predictable tuition for all citizens and develop a public process for setting tuition that provides for comment from the Governor, Legislature, HECB, students and the public;”*

This can be monitored by:

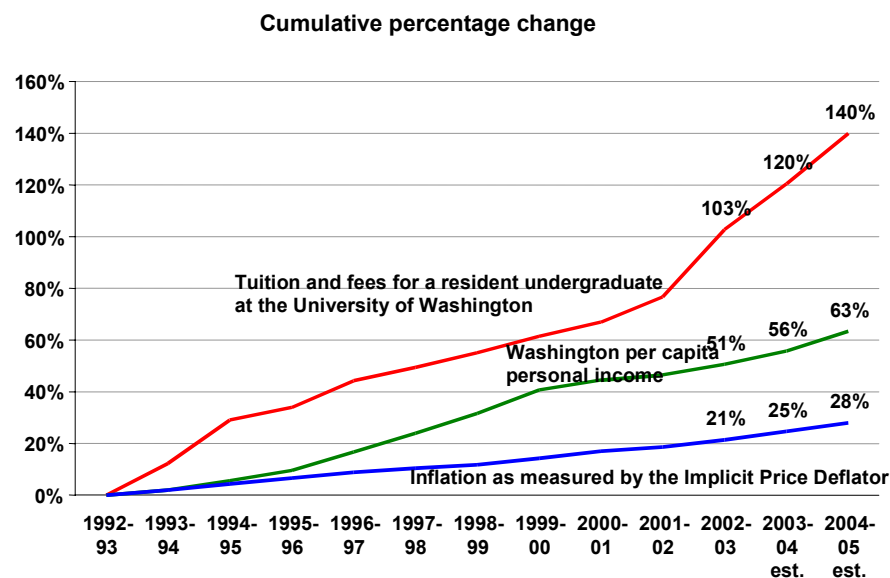
1. Examining tuition as a share of the cost of instruction;
2. Comparing tuition increases to increases in Washington per capita personal income;
3. Comparing tuition and tuition increases at Washington institutions to those at peer institutions; and
4. Requiring institutions to develop a planned process for public input.

1. Examining tuition as a share of the cost of instruction



For 18 years, tuition was set as a percent of the cost of providing instruction under a “cost sharing” approach between students/families and the state. While no longer state policy, tuition as a percent of the cost of instruction is still monitored. At a research university this share has gone from one-third in the early 1990s to 46.6 percent today. The Governor’s proposal for the 2003-05 Biennium includes annual tuition increases of 9 percent and reductions in state support, raising the student/family share to 55 percent.

2. Comparing tuition increases to increases in Washington per capita income (and inflation)



In the early 1990s, tuition increased faster than per capita income. From 1995-96 to 2001-02, it grew at about the same rate as per capita personal income. Over the past 10 years, tuition has increased over 100 percent while income has grown 51 percent and inflation has increased by 21 percent. If the Governor’s proposal for the 2003-05 Biennium were adopted, tuition will have increased 140 percent since 1992-93 while incomes will have grown 63 percent.

3. Comparing tuition and tuition increases at Washington institutions to those at peer institutions

Generally, Washington's resident undergraduate tuition rates are lower than those at similar types of institutions in other states. However, the rate of increase over the past several years has been higher in Washington than in the other states.

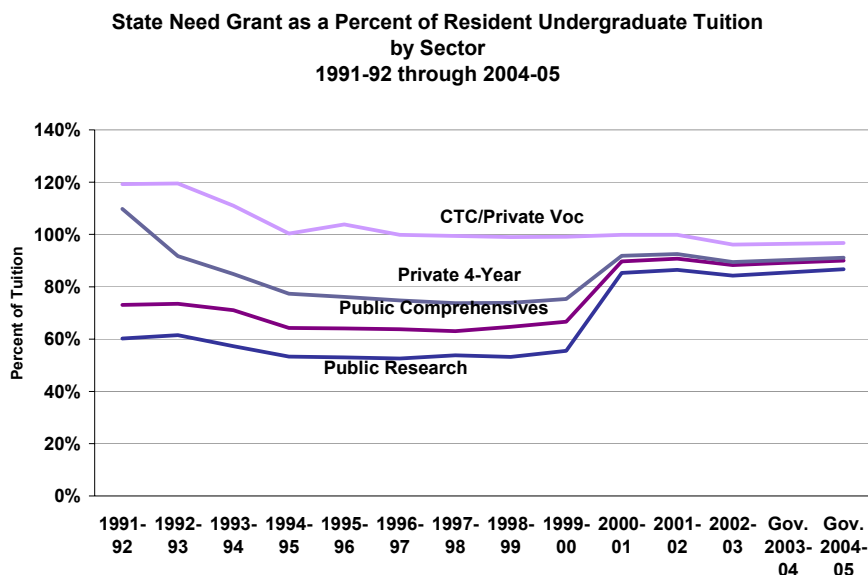
B. FINANCIAL AID INCREASES COMPARED TO TUITION INCREASES

The HECB requested “that the state maintain and increase state financial aid and scholarship programs to ensure that students are not deprived of access to higher education due to increases in tuition.” The Board also wanted institutions to ensure “that financial aid be available and increased at a rate compatible with tuition increases.”

This can be assessed by looking at financial aid awards compared to tuition. Specifically:

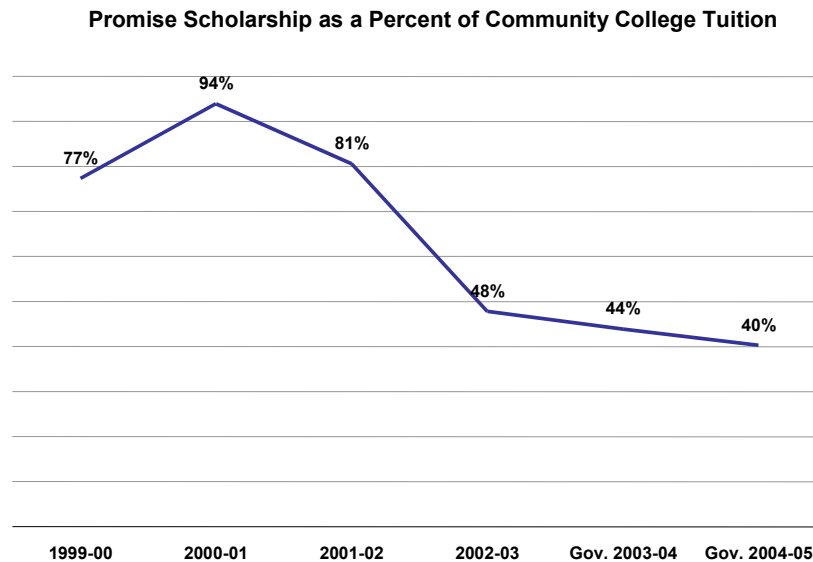
1. Whether State Need Grant awards are increasing with tuition increases;
2. Whether Promise Scholarship awards are increasing with community college tuition;
3. Whether other state aid programs are keeping pace with tuition increases; and
4. Whether institutional financial aid for needy students is growing at rates compatible with tuition increases.

1. Assessing whether State Need Grant awards are increasing with tuition increases



The target for the State Need Grant program is to provide awards equal to full tuition in each sector. The state made great progress in reaching this target in 2000-01, but lost ground in 2002-03.

2. Assessing whether Promise Scholarship awards are increasing with community college tuition



The maximum Promise Scholarship can be equal to tuition at the community colleges. In 2000-01, it equaled 94 percent of the maximum; in 2002-03 it fell to 48 percent.

3. Assessing whether other state aid programs are keeping pace with tuition increases.

The Board also can review other aid programs, such as State Work Study, Educational Opportunity Grant, Washington Scholars, and Washington Award for Vocational Excellence, to determine if the value of the awards is keeping pace with tuition increases.

4. Assessing whether institutional financial aid for needy students is growing at rates compatible with tuition increases

The institutions report to the HECB on the amount of need-based financial aid granted to needy students. In 2001-02, the average amount of institutional grants, scholarships and waivers provided to students receiving need-based financial aid was \$571 at the public four-year colleges and universities and \$126 at the community and technical colleges.

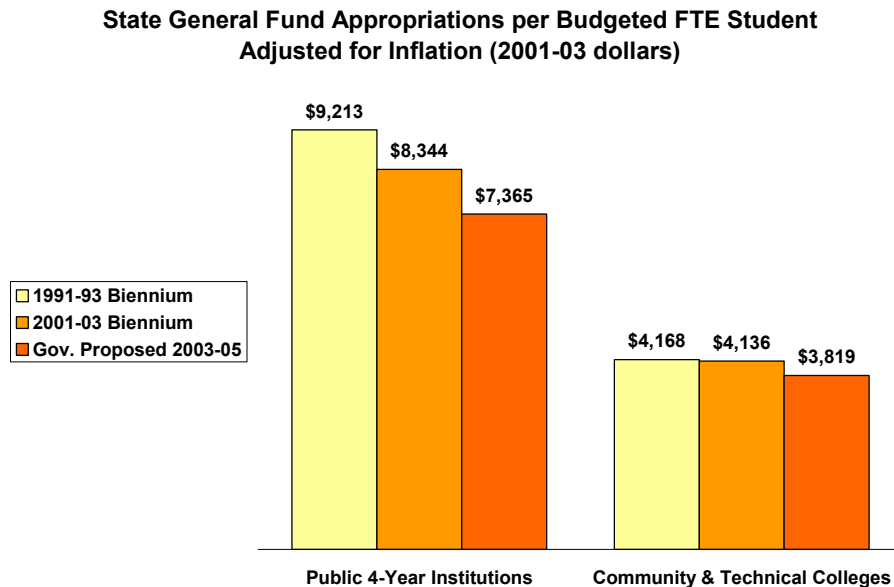
C. STATE FUNDING

The HECB requested “*that the state maintain a baseline of overall funding support for higher education.*”

This can be monitored by:

1. Examining state funding per student over time; and
2. Comparing state funding per student at Washington institutions to funding at peer institutions.

1. Examining state funding per student over time



Since the 1991-93 Biennium, state funding per student has declined from \$9,213 per student at the public four-year institutions, to \$8,344 after adjusting for inflation. At the community and technical colleges, the decline has been less, going from \$4,168 to \$4,136 over the same time period. Under the Governor’s proposed budget for the 2003-05 Biennium, state funding per student would continue to decline – another 12 percent at the public four-year colleges and universities, and another 8 percent at the community and technical colleges.

2. Comparing state funding per student at Washington institutions to funding at peer institutions

State funding per student in Washington is significantly below state funding at comparable institutions in other states.

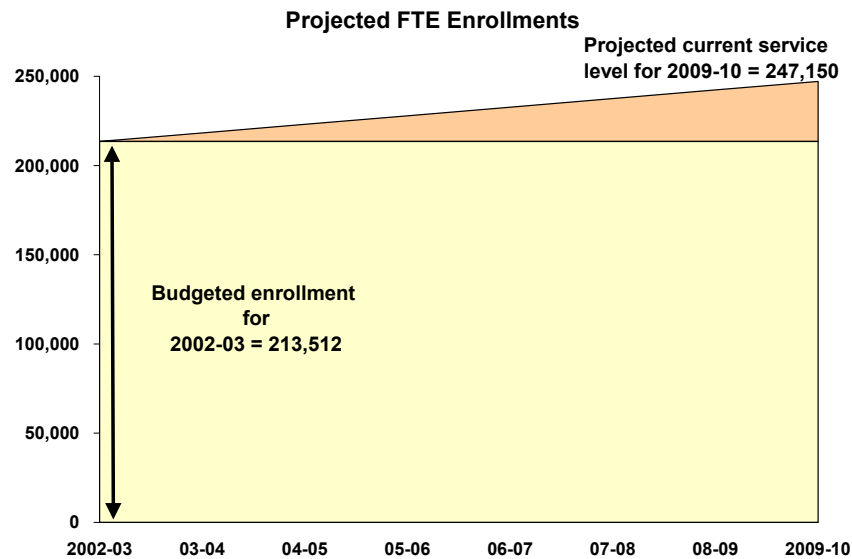
D. ENROLLMENT PRESSURES

The HECB requested “*that Washington public colleges and universities meet the increasing demands and needs of citizens while maintaining accessibility for all citizens so they may achieve their higher education goals.*” And further “*that the state provide adequate funding to expand enrollment so colleges and universities are not required to over-enroll to provide needed access to students.*”

This can be evaluated by:

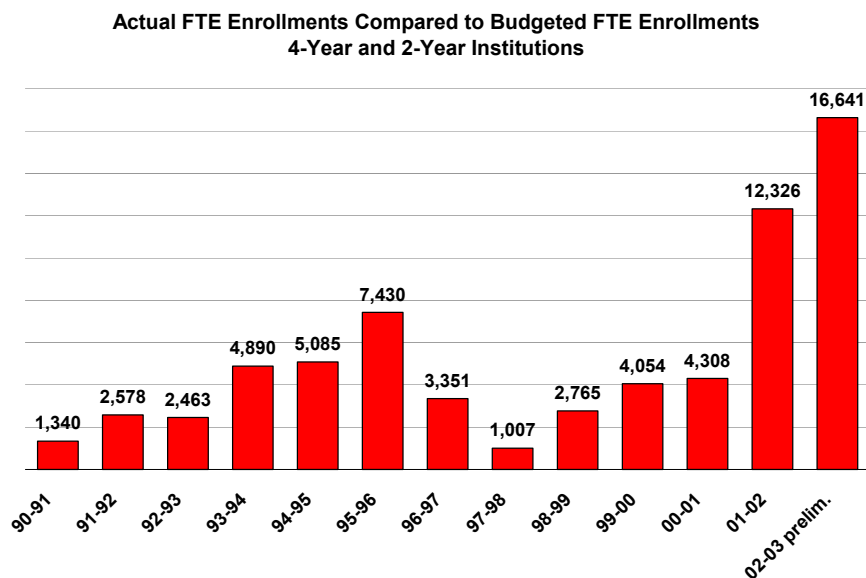
1. Comparing “participation rate forecasts” and other information that attempts to predict future demand for higher education to actual budgeted enrollments; and
2. Comparing actual enrollments to budgeted enrollments to assess whether the state is funding enrollment increases.

1. Comparing “participation rate forecasts” to actual budgeted enrollments



To maintain the “current service level,” the state would need to fund 33,600 additional full-time student slots (FTEs) at the public colleges and universities between now and 2010.

2. Comparing actual enrollments to budgeted enrollments



In the current academic year, the public colleges and universities in this state are predicted to enroll 16,600 more students than were budgeted by the Legislature.

E. EFFICIENCY AND EFFECTIVENESS

The HECB requested *“that public colleges and universities continue to seek ways to be more efficient and effective with their resources.”*

This can be evaluated by:

1. Continuing to monitor the existing institutional accountability measures; and by
2. Improving the collection and coordination of student performance data to measure and assess institutional productivity.

1. Monitoring existing accountability measures

In 1997, the HECB implemented an accountability system in consultation with the public four-year institutions, tying resources to plans and performance. Institutions prepare plans to achieve measurable and specific improvement each academic year as part of a continuing effort to make meaningful and substantial progress toward long-term performance goals. Each institution is required to report on a total of six measures:

- 1) Graduation efficiency (freshmen)
- 2) Graduation efficiency (transfers)
- 3) Undergraduate retention
- 4) Five-year freshman graduation rate
- 5) Faculty productivity (which can be measured differently by each institution)
- 6) A unique measure for each institution, reflective of its mission

The first four measures are common to all the institutions and are reported below. Graduation efficiency is calculated by dividing the total number of credits required for a bachelor’s degree (minus transfer credits) by the total number of credits completed at that institution. This calculation gives a measure of “efficiency” in terms of credits completed, rather than in terms of calendar time to degree, which can be skewed by part-time attendance. Retention rates refer to the number of undergraduate students who return for consecutive years.

Accountability			
	1996-99 Baseline	2001-02 Performance	2001-03 Target
Graduation Efficiency: Freshman			
UW	89.6	90.5	93.2
WSU	90.0	89.9	91.5
CWU	88.0	92.3	90.0
EWU	87.9	89.1	91.0
TESC	93.0	92.0	94.0
WWU	86.6	86.9	87.0
Graduation Efficiency: Transfers			
UW	81.7	82.7	87.0
WSU	81.0	83.0	83.6
CWU	83.8	89.2	85.0
EWU	77.9	78.7	83.1
TESC	90.0	90.0	90.0
WWU	80.5	79.5	82.0
Undergraduate Retention (overall)			
UW	87.2%	88.5%	92.4%
WSU	84.4%	86.1%	86.4%
CWU	80.5%	82.0%	84.0%
EWU	88.5%	85.8%	89.2%
TESC	76.0%	80.0%	78.0%
WWU	85.5%	88.4%	86.0%
5-Year Freshman Graduation Rate			
UW	63.8%	64.8%	65.0%
WSU	53.8%	53.8%	55.9%
CWU	39.4%	45.7%	45.0%
EWU	41.7%	39.5%	49.0%
TESC	45.0%	47.0%	46.0%
WWU	54.0%	54.5%	54.0%

2. Coordinating and expanding the collection of student performance data

If Washington is to effectively evaluate the effectiveness and efficiency of its public colleges and universities, access to student performance data must be improved. Currently data are collected by multiple agencies and not easily accessed for analysis. Data collection should be expanded to include student level performance data such as degrees granted, credits taken, student mobility, and post enrollment employment. This could be facilitated through a data consortium comprised of the four-year institutions, the community and technical colleges, OFM, and the Higher Education Coordinating Board. The data system should be designed to leverage existing systems to the highest degree possible.

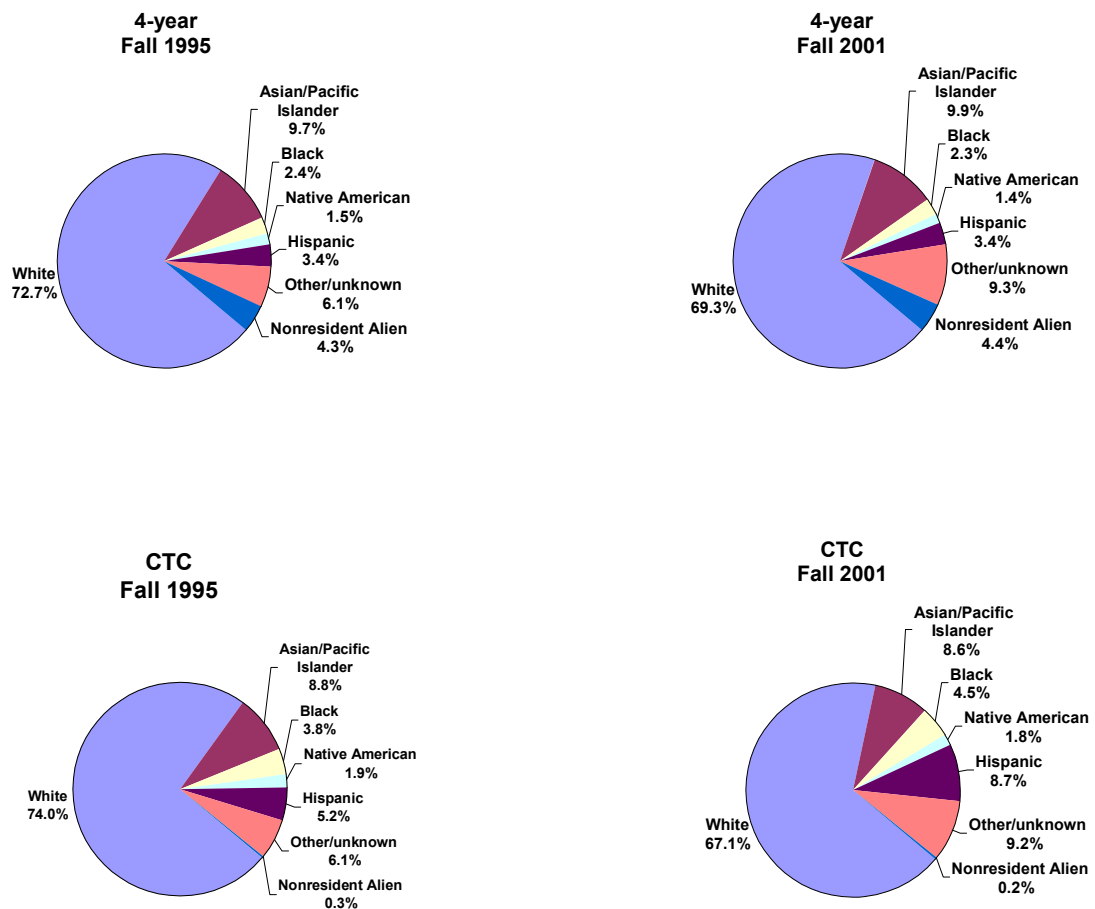
F. DEMOGRAPHICS AND SOCIOECONOMIC COMPOSITION OF THE STUDENT BODY

The HECB requested “*that the public colleges and universities determine how tuition affects the demographic and socioeconomic composition of the student body.*”

This can be monitored by:

- Reviewing the race/ethnicity mix of the student body over time; and
- Reviewing the percentage of lower-income students attending higher education.

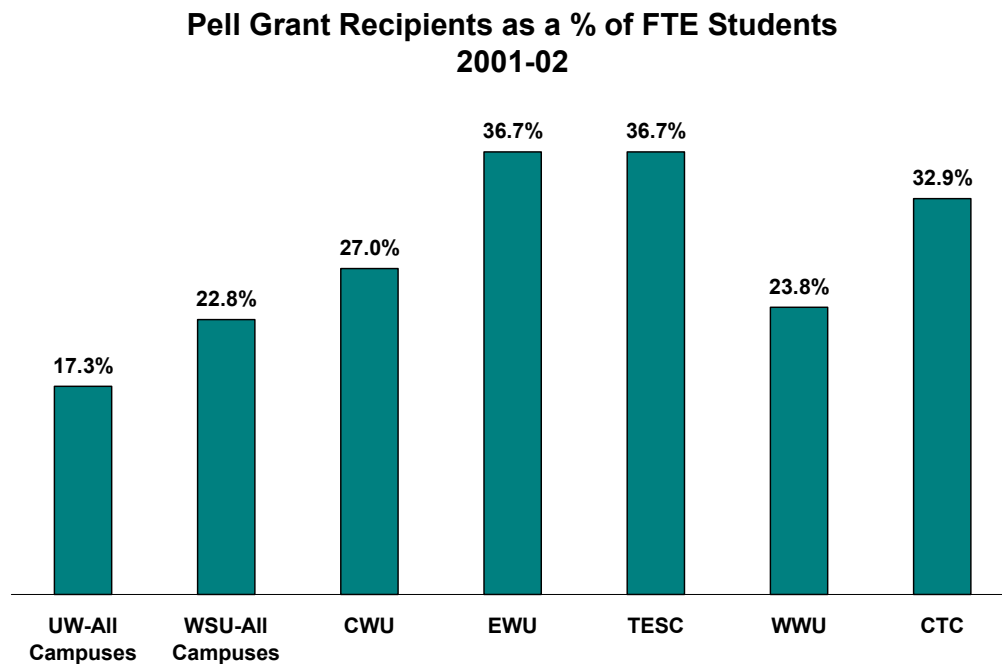
1. Reviewing the race/ethnicity mix of the student body over time



At the public four-year institutions, white students represented 69.3 percent of the student body in 2001 – down from 72.7 percent in 1995. Students classified as “other/unknown” represented 9.3 percent – up from 6.1 percent. Students in other categories remained relatively unchanged.

At the community and technical colleges, white students were 67.1 percent of the student body in 2001 – down from 74 percent. Hispanic students have gone from 5.2 percent to 8.8 percent of the student body; “other/unknown” students have increased from 6.1 percent to 9.2 percent; and black students have increased from 3.8 percent to 4.5 percent.

2. Reviewing the percentage of lower-income students attending higher education



Pell Grant eligibility standards have been more stable over time than eligibility standards for the state Need Grant. Thus it can be used as an indicator of the share of “needy” students attending a university or college. In 2001-02 the share of needy students ranged from nearly 37 percent at Eastern Washington University and The Evergreen State College to 17 percent at the University of Washington.

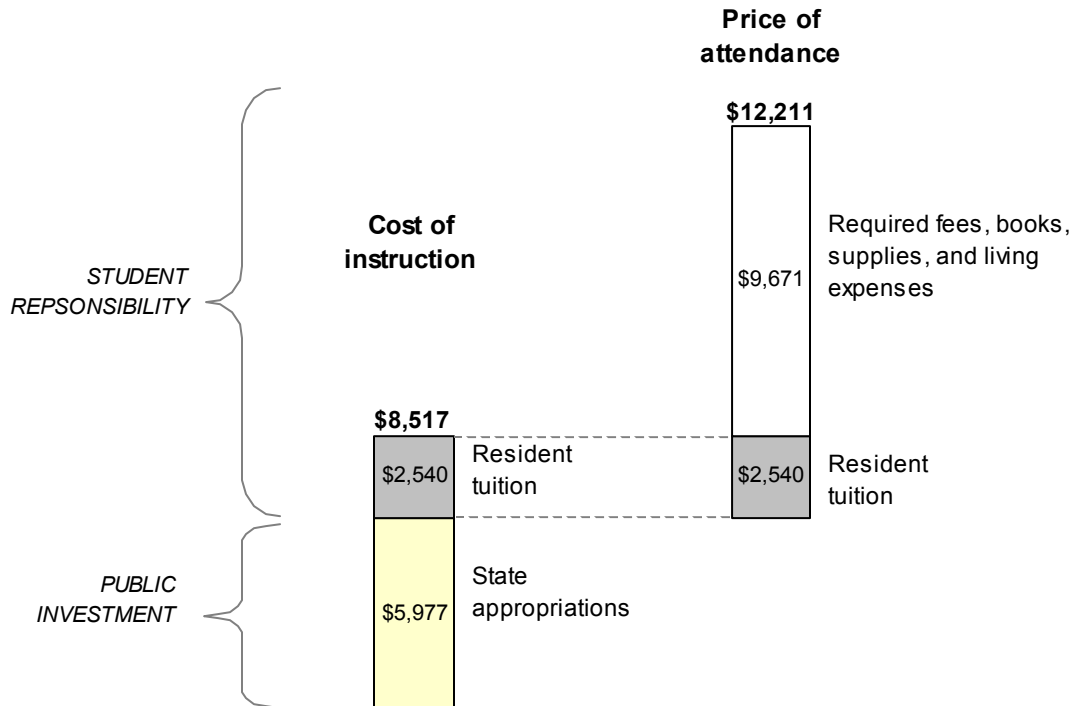
III. Linkage between Tuition Policy and Financial Aid

Washington State has a long tradition of making college generally affordable to residents through state appropriations to public colleges and universities and direct aid to individual students. These state investments substantially reduce the amount students and their families must pay to attend college.

The following chart illustrates the relationship of tuition to state appropriations and the price of attendance.

Tuition Influences the State's Investment in Higher Education and the Price Students Must Pay to Attend

(Average annual per-student state support, tuition, required fees and expenses for 2001-02 resident undergraduate students at the comprehensive universities)



The *cost of instruction* is the sum of direct and indirect costs of an institution related to instruction on a per student basis.

The *price of attendance* includes tuition, required fees, books, supplies, and living expenses that are a student's responsibility in financing a higher education.

Resident tuition includes the operating fee only.

For Washington resident students, tuition payments and state appropriations combine to meet the full cost of instruction for each student. The cost of instruction is defined as the sum of direct and indirect costs of an institution related to instruction on a per student basis. Thus taxpayers cover a significant portion of the cost of instruction for each resident student.

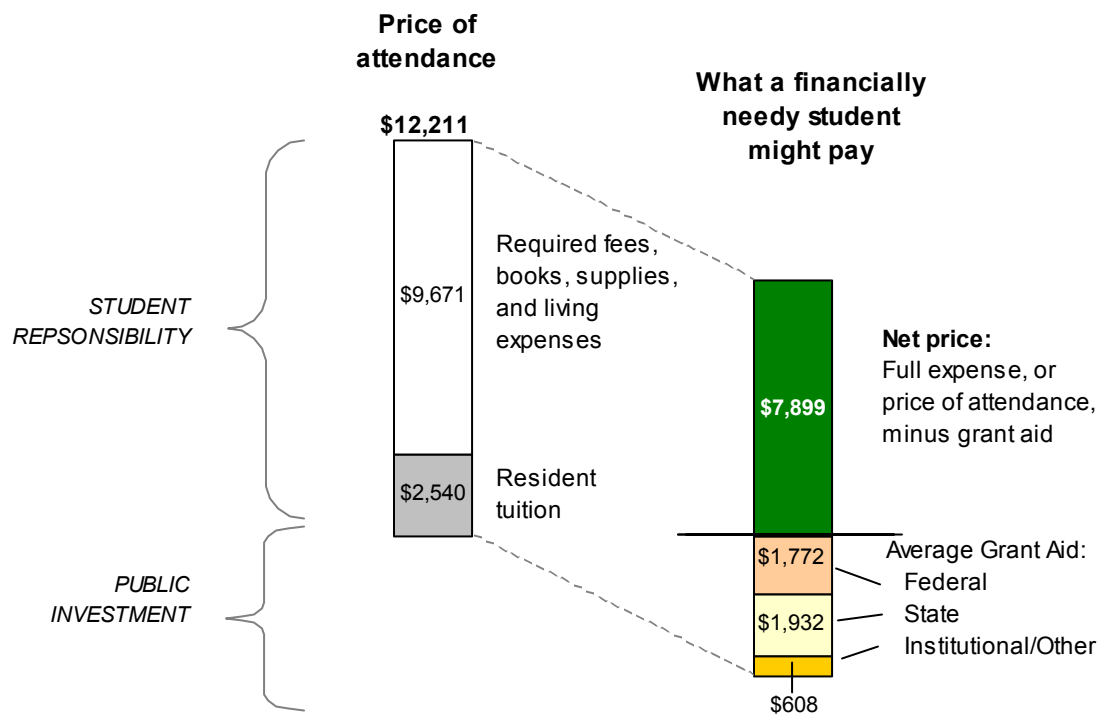
Tuition is only part of the total price of attendance all resident students must meet to go to college. Tuition represents only part of the higher education expenses students must meet. Students are also responsible for required fees, books, supplies, room, board, transportation, and personal needs. These expenses, combined with tuition, make up the price of attendance.

Financial aid is another state investment to keep higher education affordable for needy students. State-supported tuition is available to all Washington residents who enroll in public colleges and universities, without regard to income or financial need. Even with state-supported tuition, however, many students and families do not have enough resources to pay for tuition and the other required expenses that make up the price of attendance. Therefore, the state also provides financial aid to needy students attending both public and private colleges and universities. Financial aid helps families meet the full price of attendance after they have contributed everything they can.

The following chart illustrates how financial aid helps a typical financially needy student meet the price of a college education.

Financial Aid Helps Needy Students Meet the Full Price of Higher Education

(Average annual student price of attendance, grant aid, and net price for 2001-02 undergraduate resident grant recipients at the comprehensive universities)



The *price of attendance* includes tuition, required fees, books, supplies, and living expenses that are a student's responsibility in financing a higher education.

The *net price* is what students must pay after grant and scholarship aid is subtracted from the price paid to attend college. Students and families may meet the net price through work, savings, and loans. Financial aid awards can include loans and work-study awards to help students meet the net price.

The price of attendance is especially burdensome for needy students, and the situation has worsened over the past 23 years. The price of a college education has long represented a much larger portion of family income for low-income students than for middle- and upper-income students. National studies show that the high price of attendance leads to reduced aspirations and reduced attendance, especially among low-income students.

As the following table shows, the price of a college education at a public research university represented over 38 percent of family income for Washington's lowest-income families in 1999-2000 compared to about 15 percent for the highest-income families. In addition, the price of attendance at a public research university as a share of family income has grown faster for the lowest-income families (6 percent) than for the highest-income families (1.5 percent) between 1979 and 1999. In 1999, families in the 25th percentile earned \$32,163 compared to \$53,760 for families in the 50th percentile (median family income) and \$83,710 for families in the 75th percentile.

Price of Attendance as a Percentage of Family Income
Washington State, 1979-80 through 1999-2000

		1979-80	1989-90	1999-2000
Public Research Universities	25th Percentile of Family Income	32.3%	35.2%	38.3%
	Median Family Income	19.4%	21.2%	22.9%
	75 th Percentile of Family Income	13.2%	14.2%	14.7%
Public Comprehensive Four-Year Colleges and Universities	25th Percentile of Family Income	31.8%	33.8%	35.9%
	Median Family Income	19.1%	20.3%	21.5%
	75 th Percentile of Family Income	12.9%	13.7%	13.8%
Community and Technical Colleges	25th Percentile of Family Income	29.4%	30.6%	32.3%
	Median Family Income	17.7%	18.4%	19.3%
	75 th Percentile of Family Income	12.0%	12.4%	12.4%
High Cost Private Four-Year Colleges	25th Percentile of Family Income	57.1%	75.7%	92.4%
	Median Family Income	34.3%	45.5%	55.3%
	75 th Percentile of Family Income	23.2%	30.6%	35.5%

Source: U.S. Census Bureau, Higher Education Coordinating Board, Washington Financial Aid Association

Even with state-supported resident tuition, thousands of low-income students would not be able to go to college without financial aid. The price of attendance was prohibitive 23 years ago; it is even more so today.

IV. Financial Aid Programs for Washington Students

Financial Aid Recipients

During the 2001-02 academic year, nearly 119,000 students attending Washington colleges and universities relied on some amount of need-based financial assistance. Each of these students was determined, through a nationally-standardized application process, to be unable to pay for some or all college costs. Some of these aided students required only a small amount of assistance – a loan to help with cash flow, or a part-time job. Others needed a full complement of grants, work study, and loans. About 50,000 students had incomes low enough (\$33,500 for a family of four) to qualify for a Washington State Need Grant.

Types of Financial Aid

Need-based student financial aid is awarded through three types of programs: grants, work study, and loans.

Grants (and Scholarships)

Aid that does not have to be repaid. Grants usually are awarded on the basis of financial need alone, while scholarships may carry additional stipulations, such as academic merit or specific career objectives. Most grants are limited to undergraduates and nearly all are awarded to students with substantial financial need.

The state has played a critical role in providing grant assistance, most notably through the State Need Grant program. Support for this program has been particularly important for Washington's lowest-income students, as federal support for student aid has shifted heavily away from grants and toward loans. Grants provide a critical foundation of support for students with limited family resources and are viewed by students as the "best" financial aid. However, research indicates that grants are most effective in promoting persistence when combined with work study and loans.

Work Study

Students earn a part of their financial aid. Both the federal government and Washington State sponsor work study programs which promote the employment of needy students by reimbursing employers for a significant portion of student wages. The state program offers the added advantage of employment that is related, wherever possible, to the student's field of study. Both programs have limited funding.

In addition to helping students pay for college and providing on-the-job experience, national and state research shows that financial aid recipients who participate in work study do better in school and are more likely to complete their education program.

However, the price of college has outpaced the ability of students to work their way through college.

**A Full-time Student With No Other Resources
Would Have to Work More Than Full Time, All Year,
or Earn Much More Than the Minimum Wage
to Pay for College Costs by Working***

	Hours of Work per Week at Minimum Wage	<u>OR</u>	Hourly Pay Rate Required
Community/Technical College	41		\$10.59
Public Comprehensive University	45		\$11.63
Public Research University	49		\$12.42
Independent College or University	89		\$22.86

**Assumptions:*

- *College Costs: 12-month living allowance for one person living away from home; 9-month tuition and books. Based on Washington Financial Aid Association student budget guidelines*
- *Minimum Wage: \$7.01 per hour. No deduction for social security or other withholdings*
- *Hours of Work per Week at Minimum Wage: Assumes 2 weeks' vacation; year-round employment*
- *Hourly Pay Rate Required: Assumes 12-month living allowance, 9-month tuition and books; full-time work during summer and academic-year breaks, 19 hours per week while classes are in session*

Since costs are less for a student who can live with his or her parents during the summer and academic year, these students would have to work fewer hours to pay for college costs. However, they still would have to work $\frac{3}{4}$ time year-round to cover the price of attending a community college and approximately full-time to pay for a four-year public institution.

The numbers are even more startling for students who cannot save money from summer employment (perhaps due to subsistence needs of their dependents, or because they cannot find a full-time job, etc.). In order to pay for college costs entirely by working during the academic year, a student would have to work many more hours per week, or earn a much higher hourly pay rate.

There is a sizable gap between the price of attendance and the amount that can be earned – even by working year-around and using all earnings to help pay for college.

**There is a Large Gap Between the Price of Attendance
and the Amount that can be Earned**

Community/Technical College	\$ 4,906
Public Comprehensive University	\$ 6,331
Public Research University	\$ 7,413
Independent College or University	\$21,712

While few students can earn enough to cover the full price of college by working during the academic-year, wages earned through work study and other student employment are an important resource for financial aid recipients. In addition to other benefits gained through work experience, student earnings help reduce the amount financial aid recipients would otherwise have to borrow.

Loans

Loans are offered to students with the understanding that they will be paid back in full (with interest) by a specified future date, although repayment generally does not begin until the student has terminated his or her education. Student loans comprise more than half of the financial aid awarded to needy Washington financial aid recipients.

More than 63 percent of students who received need-based aid in the 2001-02 academic year borrowed from a student loan program. The distribution of borrowers by the type of college attended, and the average amount borrowed in 2001-02 is shown below.

Nearly Two-thirds of the Financial Aid Recipients in the 2001-02 Academic Year Borrowed From a Student Loan Program

Sector	% of Need-Based Aid Recipients Who Borrowed	Average Amount Borrowed for the 2001-02 Academic Year	
		<u>Undergraduate</u>	<u>Graduate</u>
Community Technical College	31%	\$3,520	—
Public Comprehensive University	86%	\$5,920	\$11,201
Public Research University	86%	\$6,170	\$13,659
Independent College or University	90%	\$7,807	\$16,783

Source: 2001-02 student financial aid Unit Record Report, as submitted by institutions

Sources of Financial Aid

The federal government provided the majority (68 percent) of financial aid available to needy students attending Washington colleges and universities last year. Approximately 18 percent of the financial aid awarded to needy students was provided by institutions, private donors, and other organizations. State funding provided about 13 percent of the total aid available.

Although state-appropriated funds represent only 13 percent of the total aid available, the state has leveraged its effectiveness by establishing programs that complement the larger federal financial aid programs. For example, federal student loans are widely available, while federal support for grant funding has declined as a percentage of all aid over the past number of years. Through its support for the State Need Grant program, Washington has helped maintain access and opportunity to higher education for the state's lowest income students, who needed the grant assistance to make their attendance possible.

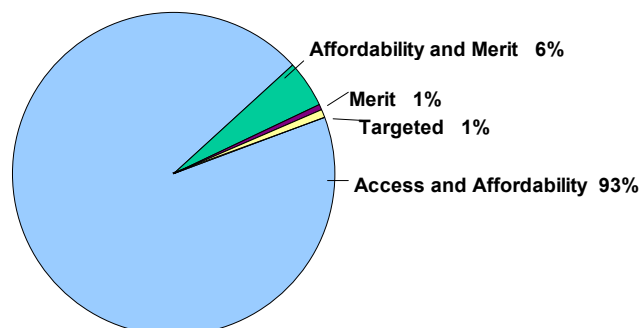
**The Federal Government Provides the Majority of Financial Aid
Available to Washington Students
(2001-02 Academic Year)**

Source			Type		
Federal	68%	\$ 709 M	Grants	44%	\$ 454 M
State	13%	\$ 140 M	Work Study	4%	\$ 41 M
Institutions/Other	18%	\$ 189 M	Loans	52%	\$ 543 M
Total		\$1.038 B			\$1.038 B

Goals of State Aid Programs

The state supports a variety of financial aid programs that serve multiple public purposes. While some state programs recognize and reward academic merit, and others are designed for targeted populations or respond to specific workforce needs, almost all state-funded financial aid is provided for individuals who could not otherwise afford to attend. Some state programs serve multiple purposes.²

Public Purposes Achieved by State-Appropriated Student Financial Aid



How is Washington Doing?

State policymakers can take pride in their longstanding and consistent support of financial aid programs, which have made college possible for thousands of students. However, the challenges of enrollment pressures, a growing population of needy high school graduates, and an adult population in need of job training and retraining – in the face of unprecedented funding constraints – call for a renewed commitment to higher education opportunity for academically-prepared, low-income individuals.

By some measures, Washington's commitment to college affordability is doing well. Other measures, however, indicate that needy students are losing ground.

² *Affordability and Merit*: Washington Promise Scholarship

Merit: Washington Scholars, Washington Award for Vocational Excellence

Targeted: Health Professional Conditional Scholarship and Loan Repayment, Western Interstate Commission for Higher Education (WICHE) Professional Student Exchange programs

Access and Affordability: State Need Grant, State Work Study, Educational Opportunity Grant

Where We are Doing Well

- **Washington’s statutory language linking tuition increases to the need for added funding for state-appropriated financial aid is uncommon.** While some states attempt to meet student need, they do not have such a policy connection stated in law. In Washington, during years of budget pressures and significant tuition increases, student aid programs have grown more than they might have without such statutory language.
- **Washington’s State Work Study program is a model for other states.** Among the 16 states with work study programs, Washington’s is the largest. Its focus on education-related jobs, inclusion of work opportunities in the for-profit sector, and requirement that students be paid wages comparable to those of other workers performing similar duties, make it unique.
- **Washington has retained its focus on promoting access, opportunity and affordability.** Although the state has established some targeted and merit-based aid programs, its emphasis has remained on programs that provide access, opportunity, and affordability for those who could not otherwise pursue a college education. This clear and sustained focus has provided stability in the face of budget constraints and competing state priorities.

Where We Need to Improve

Washington’s needy students are losing ground.

- **State Need Grant funding has failed to keep pace with tuition increases and student need.** Appropriations to the State Need Grant program for FY 03 provided additional funds to cover only 70 percent of this year’s tuition increase. In addition, although state funding once allowed the Board to serve students with family incomes up to 65 percent of the state’s median family income, current appropriations limit service to students with family incomes of 55 percent or less. Even at that lower income cut-off, last year about 3000 eligible students were not awarded. Had funding been available to provide grants to students with incomes between 55 and 65 percent median family income, approximately 4000 additional students would have qualified.
- **Promise Scholarship awards have continued to decline.** State statute establishes the maximum Promise Scholarship award at the amount of tuition charged by community colleges. Scholarship amounts, in dollars, and as a percent of tuition, have declined in each of the last three years. Current appropriations limit scholarships to 48 percent of the maximum award.
- **State Work Study program must turn away students.** Increases in funding for the State Work Study program have been minimal and sporadic. Many students who would choose to work in a work study job must, instead, borrow heavily to pay for college expenses.

Emerging Financial Aid Issues and Considerations

These growing needs and pressures present many issues for the Board's consideration.

- **What should be the state's priority in funding financial aid programs?** (Opportunity/access; merit; targeted needs and/or populations, etc.)
- **Who should state financial aid programs serve?** (Lowest income; middle income; undergraduates; students in specified academic programs, etc.)
- **Should students and their families be expected to pay for a specified proportion of the price of attending college?** Should state grants, combined with other grant aid be limited to a specified proportion of the student's expenses? What should the pay? Etc.
- **Should the Board reaffirm its service population and grant amount goals for the State Need Grant and other state grant and scholarship programs?** (Is 65% median family income an adequate service goal? Should grant amounts be equivalent to public tuition? What should be the service population and grant amount goals for other state programs? Etc.)
- **What priority should be given to programs that recognize and reward high school academic achievement?** (Should eligibility for merit programs be expanded? Should other programs incorporate a merit component, or should initial eligibility for programs featuring access and opportunity be based on financial need alone? How would greater emphasis on high school achievement impact nontraditional students? Etc.)

March 2003

Discussion Paper for the 2004 Master Plan: Role and Mission of the Branch Campuses

Introduction

This paper is intended to promote a discussion of the optimal role of the branch campuses of the University of Washington and Washington State University in responding to (1) significant growth in higher education enrollment needs through the year 2010¹, and (2) state and regional economic vitalization needs.

The paper first summarizes the policy context of the branch campuses and reviews the general performance of the campuses through the 1990s. It then poses a series of policy questions about the future role branch campuses could play in meeting the above needs.

It is important to emphasize that the paper and Board discussion are intended to complement other current reviews and examinations on the future role and mission of the branch campuses. Specifically, the Washington Institute for Public Policy is developing a final report of the branch campuses, to be completed in June 2003, which will include an examination of possible changes in the role, mission, and structure of the branch campuses. This report follows from an earlier publication,² which assessed the extent to which the branch campuses were achieving their goals outlined in statute.

In addition to this study, legislation (SB 5010) has been introduced to the 2003 Legislature authorizing branch campuses to offer lower-division coursework³. Additionally, Washington State University recently announced its plan to create a Washington State University system in which the Vancouver, Spokane, and Tri-Cities campuses would have greater autonomy and would no longer be considered “branches” of the Pullman campus. This plan envisions changes to the governance structure of the “newer” campuses, complementing the direction for greater autonomy.⁴ It also calls for a continuation of the “two-plus-two” model and strong relationships with area community colleges.

¹ As discussed at the Board’s January 2003 meeting, to maintain only the current rate of service, the state will need to fund 33,600 additional full-time equivalent student slots by 2010.

² See: Washington State Institute for Public Policy, *Higher Education Branch Campuses in Washington State: Interim Report*, December 2002.

³ Appendix A provides the text of SB 5010.

⁴ See Appendix B: V. Lane Rawlins, “*Preliminary Recommendations for Newer Campuses of Washington State University*”, January 2003.

Taken collectively, it appears appropriate that the 2004 Master Plan for Higher Education give careful consideration to these discussions and the question of how the resources of the branch campuses can be best planned and used to respond to near and long-term needs for access to quality programs of higher education.

The First Decade – Policy, Plans, and Performance

In 1985, the Legislature adopted RCW 28B.80 to create the Higher Education Coordinating Board (HECB). The Legislature directed the Board to prepare a state master plan for higher education whose "initial priorities (of the plan) should be applied to heavily populated areas underserved by public institutions."

The Board presented its "Washington State Master Plan for Higher Education" (Building a System) in December 1987. The plan proposed an expansion of higher education access through the creation of branch campuses in four urban areas – Vancouver, the Tri-Cities, Spokane, and the Puget Sound region. The master plan also designated institutional responsibilities for each of the proposed campuses and directed the assigned institutions to develop and submit plans for the branch campuses for HECB review.

In August 1988, the University of Washington and Washington State University each submitted their plans for the development of their respective campuses. In response to these plans, the Board sought and obtained further implementation authority for the branch campuses from the 1989 Legislature. Specifically, Engrossed Senate Bill 6095, an act relating to branch campuses (codified as 28B RCW), provided legislative endorsement of the branch campus concept and formalized, in law, the institutional responsibilities for the urban areas to be served.

An important aspect of this legislation was the statement of legislative intent⁵ that the branch campuses were intended to promote increased access to upper-division and graduate degree programs in the state's underserved urban areas, particularly for individuals who, due to occupational requirements or other constraints, could not participate in conventional four-year university programs. To accomplish this objective, the Legislature directed the branches, in cooperation with area community colleges, to adopt a "two-plus-two" model, admitting students for upper-division coursework who had received sufficient lower-division coursework credit from other institutions.

The Legislature directed that the role and mission of the campuses would be guided by policies adopted by the HECB. The Board first disseminated these rules or guidelines in 1990, under its statutorily directed plan for the orderly development of the branch campuses.⁶ In addition to the enrollment and capital development plan proposed for the campuses, the Board's plan included specific policies on the role and mission of the campuses (Resolution 90-10).⁷ The policies specify, in part, that:

⁵ The text of the Legislative Findings is presented in Appendix C.

⁶ See: Higher Education Coordinating Board, "*Design for the 21st Century: Expanding Higher Education Opportunity in Washington*," July 1990.

⁷ See Appendix D.

“(T)he branch campuses are upper-division – not four-year institutions... (They) will offer the upper-division courses required for the major in specific degree programs and a selection of upper-division elective courses. They may also offer a limited number of lower-division courses normally required by upper-division students to complete their degree program requirements, in consultation with the local community colleges. Juniors and seniors normally will be expected to take all of the coursework needed to complete their degrees on one campus.”⁸

The initial policies also emphasized the instructional mission of the campuses by “prohibit(ing) doctoral degrees at branch campuses... (and) limit(ing) research and community service projects to those that contribute to instructional programs in a significant way”.⁹ The Board amended this policy in 1997 to allow exceptions to the prohibition of doctoral degrees on a case-by-case basis.^{10,11}

Within this policy context the branch campuses grew throughout the 1990s, and, as of 2001, represented 11 percent of all public upper-division and graduate enrollment (7,248 student FTE).¹² This growth, requiring a capital investment of \$515 million,¹³ while slower than initially planned by the HECB, has resulted in a wide array of programs and degree opportunities.¹⁴

How this growth in both size and program has supported the earlier goals and objectives of the campuses was the focus of the Washington State Institute for Public Policy (WSIPP) study. In general, the WSIPP study concluded that available data “indicate(s) that branch campuses are fulfilling their mission”.¹⁵ Specifically:

- While Washington continues to rank low in upper-division and graduate participation, participation rates have increased for younger age groups. The branch campuses have accounted for half of all upper-division and graduate enrollment growth since 1990, and have accounted for 84 percent of upper-division and graduate enrollment growth in the urban areas they were designed to serve.
- The branch campuses appear to target and attract placebound students. Half of all classes are scheduled for evenings or weekends, and branch campus students are older and participate on a part-time basis more often than students at the UW Seattle and WSU Pullman campuses.
- While available data do not allow the regional economic impacts of the branches to be estimated, it was found that, with the exception of engineering, the branch campuses are offering programs that reflect regional occupational projections.

⁸ See: *Design for the 21st Century*, p. 18.

⁹ See: *Design for the 21st Century*, pp. ix-x.

¹⁰ See Appendix E: HECB Resolution 97-07.

¹¹ Three exceptions have been made, all pertaining to pharmacy degrees.

¹² WSIPP, p. 38.

¹³ See Appendix F for a summary of branch campus capital expenditures.

¹⁴ See Appendix G for an inventory of current program/degree offerings.

¹⁵ WSIPP, p. 4

The Next Decade – Future Directions

The 2004 Master Plan should address the role branch campuses can play in responding to increasing enrollment demand and state and regional economic growth and propose specific guidance and actions.

Specifically, should the 2004 Master Plan assume the continuation of the current mission, role, structure, and academic orientation of the branch campuses? Or, should the 2004 Master Plan explore new ways of thinking about and planning for the future role of these resources and the types of programs and degrees they offer?

Previous master plans have not considered any significant change in the role, mission, or structure of the branch campuses. Instead they have used existing policy to estimate how the branch campuses would contribute to accommodating increased enrollment demand.

The 2004 Master Plan should certainly and carefully address both the expected enrollment “take” of the branch campuses, as well as the nature and relevancy of the type of academic instruction being offered by the campuses. The 2004 Master Plan also should consider the *possibility* that alternatives to the role, mission, and structure of the branch campuses could, in the foreseeable future, represent significant decisions regarding the optimal value of the branch campus investment.

This paper hopes to begin a discussion of these important policy and planning issues by posing the following questions:

Does proposed Senate Bill 5010 or Washington State University’s plan to create a state university system represent a departure from current legislative intent that the branch campuses operate on a two-plus-two model?

The framework of existing statute and policy already provides the authority for the branch campuses to offer lower-division coursework. Specifically, RCW 28B specifies that the branch campuses shall offer programs as authorized by rules or guidelines adopted by the HECB. And, HECB policies authorize branch campuses to offer lower-division courses in collaboration with area community colleges.

The announced planning process and objectives for a Washington State University system clearly commit to a continuation of the two-plus-two model in the operation of the WSU branch campuses. In particular, WSU has expressed its commitment to offer lower-division coursework at its branch campuses only when area community colleges agree and grant “permission” for such offerings.

Notwithstanding these observations, it would seem reasonable to discuss if either proposed SB 5010 or the WSU plan could represent a foundation for changing the role, mission, and structure of the branch campuses. This issue is the focus of the next discussion question.

Will the two-plus-two model continue to represent the optimal alternative in meeting both lower- and upper-division demands for access?

Since the inception of the branch campus model, an underlying assumption has been the continuing capacity of the community colleges to generate a sufficient number of academic transfer students for the branch campuses and thereby contribute to an increase in upper-division participation levels. The Washington Institute for Public Policy study of the branches confirmed that the community colleges were contributing significantly to the enrollment at the branch campuses. In fall 2001, 71 percent of incoming students to the branch campuses came from community colleges.¹⁶

An important area for discussion when exploring this question will be the capacity of the community and technical colleges to continue this level of contribution in the face of increasing expectations for programs not oriented toward academic transfer students. Specifically, the community and technical colleges provide an array of programs; the majority, based on FTE enrollment, are not intended for academic transfer students.

A discussion of the role of the community and technical colleges in fulfilling the objectives of the branch campuses through the two-plus-two model must include a dialogue about these potentially competing expectations and the capacity of the community and technical colleges to successfully respond to them. This discussion could lead to an exploration of the next question.

Should a policy framework be established to initiate and guide possible future planning efforts for the orderly transition of some branch campuses into four-year institutions?

This discussion question is *not* about whether the 2004 Master Plan should propose transforming any of the existing branch campuses into four-year baccalaureate institutions. Instead this question asks if the 2004 Master Plan should establish a policy-planning framework for considering any future proposals for such change.

The rationale behind the question is tied to the policy history of the development of the campuses. Specifically, as discussed earlier, the 1987 Legislature directed the HECB to “develop a plan for the orderly development of the branch campuses.” This directive recognized the complexities of creating new institutions of higher education and required that specific policies and guidelines be in place to guide the creation and development of the new campuses.

Accordingly, this discussion question asks if it is now appropriate to establish the policy framework to evaluate and guide any future proposal or decision to convert a branch campus into a four-year institution. Such a policy framework would need to address many considerations, issues, and questions, including, but not limited to:

¹⁶ WSIPP, p. 75.

What indicators would be used to ascertain sufficient lower-division enrollment demand?

What type of criteria could be used to examine the relevance of a new four-year institution to regional economic needs and goals?

How would the impact of a new four-year institution on existing public and private two and four-year institutions be determined?

What admission standards and policies would be used for entering freshman?

Would the institution be structured as a traditional comprehensive or research institution offering academic programs or degrees? Or would a new model be a planning priority (e.g., four-year technical degrees)?

Would the institution be designed or operated to attract non-traditional as well traditional students?

Would placebound students remain a target population?

What governance structure would be created?

What would be the tuition and financial aid implications for students who otherwise would have attended a community college?

What cost model for both operating and capital requirements would be used in planning a new campus?

Again, the above list of issues and questions is not meant to be exhaustive, but rather illustrative of the breadth of issues that would need to be addressed in a coherent policy to guide future plans and decisions about the future of the branch campus resource.

Next Steps

As explained in the introduction, this paper is intended to begin a discussion of how the branch campuses will help achieve the state's long-term goals for access to a quality system of public higher education. Following the Board's discussion, staff will prepare a second paper outlining specific alternatives or options the Board may wish to consider on the future role of the branch campuses. In developing this second paper, staff will work closely with the Washington State Institute for Public Policy, higher education representatives, state policymakers, and other interested individuals.

For a hard copy of the appendices, please call 360.753.7800.

Appendices

Appendix A	Text of SB 5010
Appendix B	Preliminary Recommendations for Newer Campuses of WSU
Appendix C	Text of 28B.45.010
Appendix D	HECB Resolution No. 90-10
Appendix E	HECB Resolution No. 97-07
Appendix F	Branch Campus Capital Expenditures
Appendix G	Inventory of Branch Campus Programs

